Annual Report 2003-2004

Prince Edward Island
CANADA

Agriculture, Fisheries, Aquaculture and Forestry

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Prince Edward Island Department of Agriculture, Fisheries, Aquaculture and Forestry

Annual Report

2003-2004

The mandate for the department is "to contribute to economic and community development throughout Prince Edward Island by promoting the continued operation and growth of successful, sustainable farming, fishing and forestry businesses, and promoting quality in Island primary products."

Mission

The areas in which it is critical for the Department of Agriculture, Fisheries, Aquaculture and Forestry to have acceptable results are:

- Quality of advice, assistance and information to clients in:
  - production management
  - product quality
  - business and financial management
  - environmentally sustainable management practices
  - processing, marketing and business opportunities*
  - resource management and conflict resolution
  - occupational health and safety
  - industry leadership and organizational development
- Fairness, equatability and quality of department programs and services
- Client satisfaction
- Quality of monitoring of department results and client results
- Influence on decisions of other governments and agencies affecting department clients
- Cost effectiveness and the condition of the department's finances
- Impact on stability of primary resource sector income in response to market and environmental influences
- Impact of department programs and services on the quality of the environment and on the health and safety of people
- Quality of legislation and its enforcement
- State of Crown lands and assets
- Staff morale
- Occupational health, safety and welfare of staff
- Public satisfaction with the department
- Relationships with suppliers, contractors and other agencies

* Except to the extent that another agency is charged with specific responsibility.

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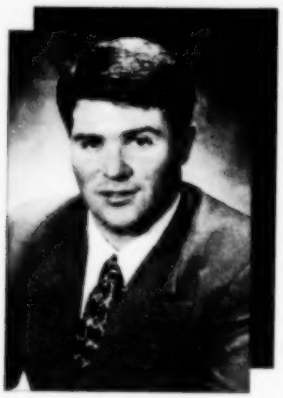


Prince Edward Island Department of Agriculture, Fisheries, Aquaculture and Forestry
Charlottetown, 2004

To the Honourable Leonce Bernard
Lieutenant Governor of Prince Edward Island

Sir:
I have the honour to submit herewith the 2004 Annual Report of the Department of Agriculture, Fisheries, Aquaculture and Forestry.

I have the honour to be, Sir,
Your obedient servant,

Kevin J. MacAdam, Minister
Agriculture, Fisheries,
Aquaculture and Forestry

To the Honourable Kevin J. MacAdam
Minister of Agriculture, Fisheries, Aquaculture and Forestry

Sir:

I am pleased to submit this report of activities of the Department of Agriculture, Fisheries, Aquaculture and Forestry for the fiscal year ending March 31, 2004, along with the year-end budget summary.

The past year was challenging for many producers. The impacts of the BSE crisis, low hog prices and depressed potato markets adversely affected three of our major commodities. The harvested value of forest products declined. The fisheries and aquaculture sectors reported relatively stable landings and value.

The structure of the department was changed over the past year with the addition of the Fisheries and Aquaculture division. The department is now focused on serving the needs of the major primary resource sectors of Prince Edward Island. Because the federal and provincial governments share jurisdiction in these fields, increased cooperation between both levels of government and the industry is vital to their sustainable growth and development.

During the latter part of 2003, the provincial and federal governments agreed on the signing of the Agricultural Policy Framework. This is a long-term agreement which establishes joint priorities in a number of areas, including environmental sustainability, food safety and quality, research and renewal, and business risk management. An implementation committee, with representatives of the federal and provincial departments of agriculture, has been established to develop and coordinate programs under the framework agreement.

Following the signing of this agreement, a new business risk management program, the Canadian Farm Income Stabilization program, is being offered to producers for the 2003 program year. This program combined features of the Net Income Stabilization Account and the Canadian Farm Income Program which respectively offered income stabilization and disaster assistance.

Given the crisis facing livestock producers, the federal and provincial governments established compensation programs to support the industry.

The *State of the Forest* report was tabled in the Legislature during the past year. This report summarizes changes which have taken place in the resource over the past decade. It reports that the softwood harvest has been exceeding sustainable levels, and that shortages of the softwood resource can be anticipated.

The department recognizes the critical role of skills training to the success of the agriculture industry. Steps have been taken to identify the skills and knowledge considered to be required to enable producers to meet the demands of a changing marketplace.

An interdepartmental committee was established to develop implementation strategies for the Sustainable Resources Program. This program is one of the key initiatives for the department and for the government in general.

The department remains committed to providing quality advice and assistance to the people in the industries it serves, with the overall goal of continuing to increase their contribution to the economy and to rural communities.

Respectfully submitted,

John MacQuarrie
Deputy Minister

À Monsieur Kevin J. MacAdam
Ministre de l'Agriculture, des Pêches, de l'Aquaculture et des Forêts

Monsieur :

Je suis heureux de soumettre le présent rapport d'activités du ministère de l'Agriculture, des Pêches, de l'Aquaculture et des Forêts pour l'année financière se terminant le 31 mars 2004, ainsi que le sommaire budgétaire de fin d'année.

L'année dernière a représenté un défi pour bon nombre de producteurs. Les conséquences de la crise de la vache folle (encéphalopathie spongiforme bovine – ESB), les bas prix dans l'industrie porcine et les marchés faibles de la pomme de terre ont eu une influence néfaste sur trois de nos produits de base importants. La valeur récoltée de nos produits forestiers a diminué. Les secteurs de la pêche et de l'aquaculture ont rapporté des quantités débarquées et une valeur stables.

La structure du ministère a été modifié au cours de la dernière année avec l'ajout de la division des Pêches et de l'Aquaculture. Le ministère est maintenant orienté vers la réponse aux besoins des principaux secteurs de ressources primaires de l'Île-du-Prince-Édouard. Parce que les gouvernements fédéral et provincial se partagent les compétences dans ces domaines, une plus grande collaboration entre les deux paliers de gouvernement et l'industrie est essentielle à leur croissance et à leur développement durables.

Durant les derniers mois de l'année 2003, les gouvernements fédéral et provincial se sont entendus pour signer le Cadre stratégique pour l'agriculture. Il s'agit d'une entente à long terme qui définit des priorités conjointes dans un certain nombre de domaines, notamment la durabilité de l'environnement, la sécurité et la qualité de la nourriture, la recherche et le renouvellement, et la gestion des risques opérationnels. Un comité de mise en œuvre, avec des représentants des ministères de l'agriculture fédéral et provincial, a été créé pour élaborer et coordonner des programmes mis en place en vertu du Cadre stratégique.

À la suite de la signature de cette entente, un nouveau programme de gestion des risques opérationnels, le Programme canadien de stabilisation du revenu agricole, est offert aux producteurs pour l'année de programme 2003. Ce programme réunit les caractéristiques du Programme transitoire de stabilisation du revenu net et du Programme canadien du revenu agricole, lesquels offraient respectivement la stabilisation du revenu et une aide en cas de sinistre.

En raison de la crise à laquelle les producteurs de bétail font face, les gouvernements fédéral et provincial ont mis en place des programmes de compensation afin d'aider l'industrie.

Le rapport sur l'état de la forêt a été déposé à l'Assemblée législative au cours de l'année passée. Ce rapport résume les changements qui ont pris place dans la ressource au cours des derniers dix ans. On y indique que la récolte de bois mou a dépassé les niveaux de durabilité, et que l'on peut prévoir une pénurie de bois mou.

Le ministère reconnaît le rôle critique de la formation des compétence pour assurer le succès de l'industrie agricole. Des mesures ont été prises pour préciser les compétences et les connaissances jugées comme étant nécessaires pour permettre aux producteurs de satisfaire aux demandes des nouveaux marchés.

Un comité interministériel a été créé pour élaborer des stratégies de mise en place du Programme de ressources durables. Ce programme est une des principales initiatives du ministère et du gouvernement en général.

Le ministère continue toujours de fournir des conseils et une aide de qualité aux gens des industries qu'il dessert, en poursuivant l'objectif global d'augmenter leur contribution à l'économie et aux communautés rurales.

Le tout respectueusement soumis,

John MacQuarrie
Sous-ministre

The Year in Review

The Prince Edward Island agriculture industry and government together faced a number of critical challenges over the past year, in common with their counterparts throughout the region. The on-going impacts of Bovine Spongioform Encephalopathy (BSE) on the livestock sector, depressed hog prices throughout the latter part of the year, and in the fall, weak potato markets all combined to significantly curtail farm cash receipts, along with other indirect impacts.

This was partly offset by favourable growing conditions throughout the season. The quality of most crops were excellent, and yields were about on average. There was a slight decline in potato production. Two earlier initiatives began to pay off: the Island recorded its first major commercial harvest of cranberries and blueberry production hit an all-time record high.

In addition to cost-shared assistance programs to livestock producers affected by the BSE crisis, the provincial department also announced two further support projects on its own.

The provincial government, along with maritime beef producers and Co-op Atlantic, announced it will become a shareholder in the new beef plant being constructed in the province. The official sod-turning for the plant took place late in November in Borden-Carleton. The department is also providing interest-free loans to those producers who purchased "hooks" in the new plant.

Organizationally, following the September provincial election, the department was combined with the fisheries and aquaculture portfolios to become the Department of Agriculture, Fisheries, Aquaculture and Forestry. As of April 1, the department transferred its responsibilities for the *Pesticide Control Act* to the environment department.

The soil and feed testing labs were combined with the provincial government's water quality testing lab. This new entity received accreditation from the Standards Council of Canada.

The department also announced a new Future Farmer program which includes skills training, business planning and interest rate relief.

Government and industry continue to invest in sustainable production practices, including on-farm conservation projects. Access by cattle to streams was all but eliminated by the September 30th deadline. The year also marked the beginning year of the new crop rotation legislation.

FoodTrust of Prince Edward Island launched two new products in the past year, a new specially-produced pork product and a premium potato product. Work continues on new products for the coming year.

Late in the year, Prince Edward Island signed the implementation agreement with the federal government under the Agricultural Policy Framework. This new agreement supports the strategic directions undertaken by the department in areas such as environmental farm planning and food safety and quality.

Significant new investments are being made at the Atlantic Veterinary College, which is undergoing a $30 million expansion with support from the federal government. Last year as well saw the announcement of the new National Research Council Institute for Nutrisciences and Health. This is expected to boost the development of new products and processes based on crops and livestock.

Lumber prices improved in 2003 but this was not reflected in softwood sawlog harvest volumes. Both domestic and export sawlog volumes declined by approximately 15 percent from the previous year. The value of delivered primary products is estimated at $38.7 million, with an additional $6.3 million of value added from sawmilling.

The *State of the Forest Report* was released in 2003. It reports that total forest area in the province decreased by roughly six percent between 1900 and 2000, due largely to conversions of forest land to agriculture. During the same time, the softwood sawlog harvest more than tripled and the standing volume was reduced by 24 percent. Forecasts indicate that the forest industry will experience a significant decline in the availability of softwood sawlogs for the next several decades.

The landed value of the Prince Edward Island fisheries and aquaculture industry rose slightly in 2003. The total landed value of all species was $169.5 million, compared to $168.7 million the previous year. Lobster landings were 20 million pounds, up slightly over the 19.9 million pounds in 2002. The landed value increased to $108 million from $105 million the previous year. A reduction in the 2003 snow crab quota resulted in a drop of landings from 5.0 million to 3.5 million pounds, with a corresponding drop in value to $10.4 million from $12.6 million in 2002.

The tuna fishery continued to be active in 2003. A total of 641 tuna with a total weight of 179.9 million tonnes was landed by Prince Edward Island fishermen.

Aquaculture continues to grow in importance. Mussel landings accounted for 37 million pounds with a value of $23.6 million, compared to a landed value in 2002 of $22.2 million. Oyster landings were up by 11.5 percent to 6.7 million pounds. The value was up 30 percent over 2002, reaching $7.4 million.

Irish moss landings were 21.9 million pounds, an increase of 44 percent over 2002. Landed values increased to $3.0 million.

Bilan de l'année

Au cours de la dernière année, l'industrie de l'agriculture et le gouvernement de l'Île-du-Prince-Édouard ont fait face ensemble, avec leurs homologues de la région, à un certain nombre de grands défis. Les effets continus de la maladie de la vache folle (encéphalite spongiforme des bovins – ESB) sur le secteur du bétail, les prix en baisse du porc au cours de la dernière partie de l'année et, au cours de l'automne, la faiblesse des marchés de la pomme de terre, ont concouru à une réduction importante des recettes monétaires agricoles, et ont eu d'autres effets indirects.

Ces effets ont été compensés en partie par les conditions de croissance favorables durant toute la saison. La qualité de la plupart des récoltes a été excellente, et les rendements ont respecté la moyenne. On a noté un léger déclin dans la production de la pomme de terre. Deux initiatives prises auparavant ont commencé à rapporter : l'Île a enregistré sa première grande récole commerciale de canneberges et la production des bleuets a atteint son plus haut sommet.

En plus des programmes d'aide à frais partagés pour les producteurs de bétail affectés par la crise de l'ESB, le ministère provincial a également pris l'initiative d'annoncer deux autres projets de soutien.

Le gouvernement provincial, conjointement avec les producteurs de bœuf des maritimes et Coop Atlantique, a annoncé qu'il deviendra un actionnaire dans la nouvelle usine de transformation du bœuf, laquelle a été construite dans la province. Le premier coup de pioche a été donné en novembre, dans Borden-Carleton. Le ministère accorde également des prêts sans intérêts aux producteurs qui ont acheté des « crochets » dans la nouvelle usine.

En ce qui concerne l'organisation, à la suite de l'élection provinciale de septembre, le ministère s'est joint aux portefeuilles des pêches et de l'aquaculture pour devenir le ministère de l'Agriculture, des Pêches et de l'Aquaculture. À compter du 1er avril, le ministère a transféré ses responsabilités relevant de la *Pesticide Control Act* (Loi sur le contrôle des pesticides) au ministère de l'Environnement.

Les laboratoires d'analyse du sol et de contrôle des semences a fusionné au laboratoire d'analyse de la qualité de l'eau. Le Conseil canadien des normes a accrédité la nouvelle entité.

Le ministère a également annoncé un nouveau Programme destiné à la prochaine génération d'agriculteurs qui comprend l'acquisition de nouvelles compétences, la planification d'entreprise et l'allégement des taux d'intérêts.

Le gouvernement et l'industrie continuent d'investir dans des pratiques de production durables, notamment les projets de conservation chez l'exploitant agricole. L'accès du bétail aux ruisseaux a presqu'été entièrement éliminé à la date limite du 30 septembre. L'année a également été marquée comme la première année de la nouvelle loi sur la rotation des cultures.

À la fin de l'année, l'Île-du-Prince-Édouard a signé l'entente sur la mise en application avec le gouvernement fédéral dans le cadre du Cadre stratégique pour l'agriculture. Cette nouvelle entente appuie l'orientation stratégique adoptée par le gouvernement dans les domaines tels que la planification environnementale en agriculture et la protection et la qualité de la nourriture.

De nouveaux investissements importants sont faits au Collège vétérinaire de l'Atlantique qui, appuyé par le gouvernement fédéral, entreprend un agrandissement de 30 millions de dollars. L'an dernier également, on a fait l'annonce du nouvel Institut des sciences nutritionnelles et de la santé du Centre national de recherches Canada. Cela devrait stimuler le développement de nouveaux produits et processus fondés sur les cultures et le bétail.

En 2003, les prix du bois d'œuvre ont augmenté, mais cela ne se reflète pas dans le volume de récoltes des billes de sciage de bois mou. À l'intérieur et à l'exportation, les volumes de billes de sciage ont diminué d'environ 15 pour cent par rapport à l'année précédente. La valeur des produits primaires livrés est évaluée à 38,7 millions de dollars, à laquelle s'ajoute 6,3 millions de dollars en valeur ajoutée provenant du sciage de bois d'œuvre.

Le Rapport sur l'état des forêts a été rendu public en 2003. Il indique que la superficie totale de la forêt dans la province a diminué d'environ six pour cent entre 1900 et 2000, en raison principalement des conversions de terres forestières en terres agricoles. Durant la même période, la récolte des billes de sciage de bois mou a plus que triplé, et le volume de bois debout a diminué de 24 pour cent. Les prévisions montrent que l'industrie forestière éprouvera un déclin important quant à la disponibilité des billes de sciage de bois mou pour plusieurs décennies à venir.

La valeur au débarquement de l'industrie de la pêche et de la l'aquaculture à l'Île-du-Prince-Édouard a légèrement augmenté en 2003. La valeur totale au débarquement de toutes les espèces s'élevait à 169,5 millions de dollars, par comparaison à 168,7 millions de dollars l'année précédente. Les quantités débarquées de homard s'élevaient à 20 millions de livres, un peu plus que les 19,9 millions de livres débarquées en 2002. Leur valeur au

débarquement est passée de 105 millions de dollars l'année précédente à 108 millions de dollars. Une réduction du quota de crabes des neiges en 2003 en a fait passer les quantités débarquées de 5 millions de livres à 3,5 millions de livres, entraînant ainsi une baisse correspondante de la valeur qui est passée de 12,6 millions de dollars en 2002, à 10,4 millions de dollars.
La pêche du thon était toujours active en 2003. Les pêcheurs de l'Île-du-Prince-Édouard ont débarqué un total de 641 thons représentant un poids total de 179,9 millions de tonnes.
L'aquaculture croît toujours en importance. Les quantités de moules débarquées représentaient 37 millions de livres, soit une valeur de 23,6 millions de dollars, par comparaison à une valeur débarquée de 22,2 millions de dollars en 2002. Les quantités débarquées d'huîtres ont augmenté de 11,5 pour cent pour atteindre 6,7 millions de livres. Leur valeur a augmenté de 30 pour cent pour se situer à 7,4 millions de dollars.

Lea quantités débarquées de mousse irlandaise s'élevaient à 21,9 millions de tonnes, une augmentation de 44 pour cent par rapport à 2002. Les quantités débarquées ont augmenté de 3 millions de dollars.

Ministry of Agriculture and Forestry Acts

Agricultural Crop Rotation Act

Agricultural Insurance Act

Agricultural Products Standards Act

Agrologists Act

Artificial Insemination Act

Animal Health and Protection Act

Companion Animal Protection Act

Dairy Industry Act

Dairy Producers Act

Dog Act

Farm Machinery Dealers and Vendors Act

Farm Practices Act

Farm Registration and Farm Organizations Funding Act

Fences and Detention of Stray Livestock Act

Fire Prevention Act (Part VII)

Fish Inspection Act

Fisheries Act

Fisheries Organizations Support Act (when proclaimed)

Forest Management Act

Grain Elevators Corporation Act

Livestock Community Auction Saies Act

Natural Products Marketing Act

Plant Health Act

Potato Lien Act (not yet proclaimed)

Poultry and Poultry Products Act

Public Forest Council Act

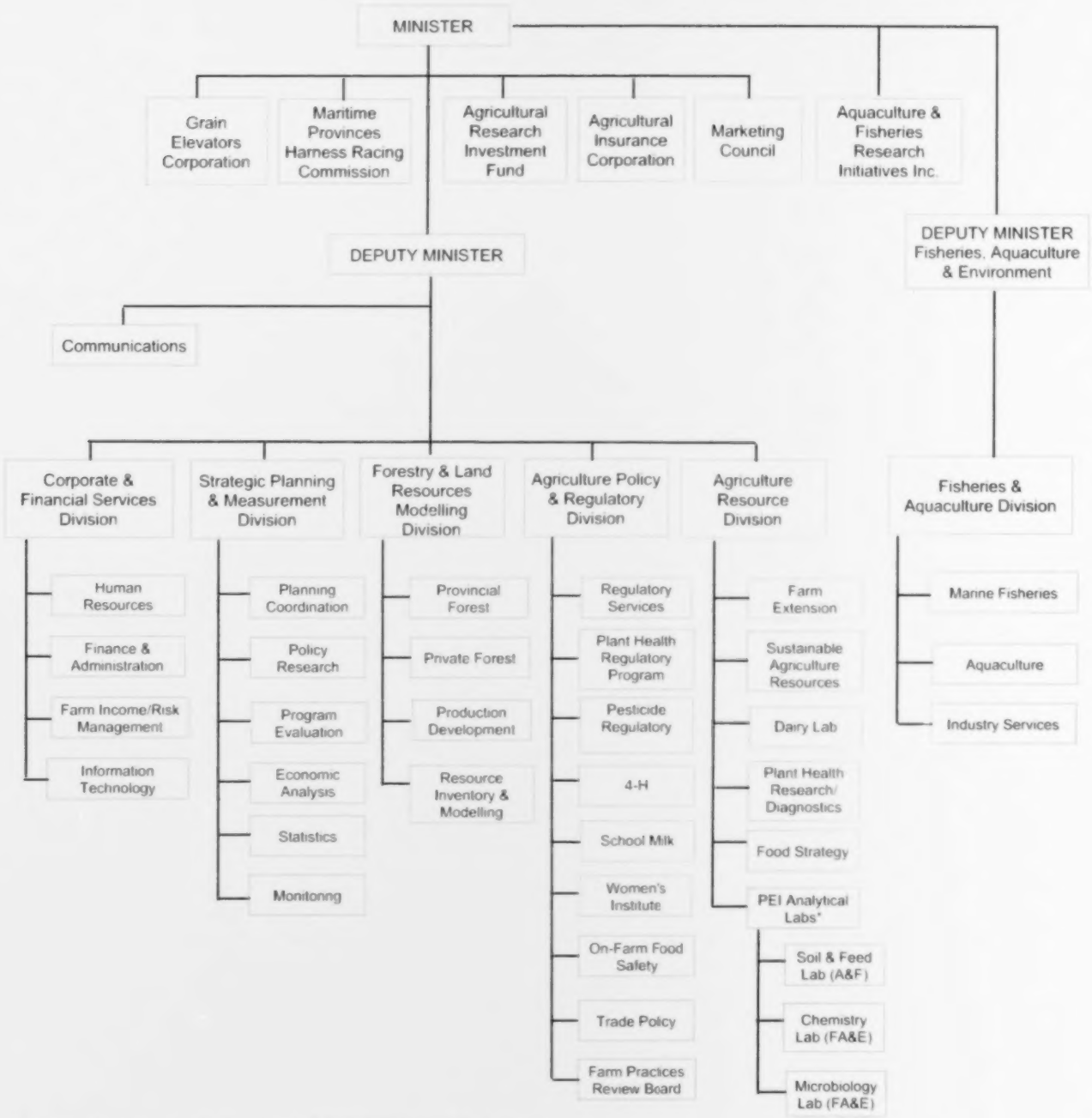
Veterinary Profession Act

Sea Plants Act (when proclaimed)

Weed Control Act

Woman's Institute Act

Department of Agriculture, Fisheries, Aquaculture and Forestry
Organizational Chart



Effective April 1, 2003 to October, 2003, the Fisheries and Aquaculture Division was part of the Department of Fisheries, Aquaculture and Environment.

Effective October, 2003 to March 31, 2004, the Fisheries and Aquaculture Division continued to report to the Deputy Minister of Environment and Energy and was part of the Dept. of Agriculture, Fisheries, Aquaculture and Forestry.

* PEI Analytical Labs jointly administered by Dept. of Agriculture, Fisheries, Aquaculture and Forestry and Dept. of Environment and Energy

As of March 31, 2004

Introduction

During the 2003/04 fiscal year the department's expenditure budget was increased by $6,130,500 of which $5,180,500 was offset by federal revenue. The federal/provincial Bovine Spongioform Encephalopathy (BSE) Recovery Program in response to the BSE crisis resulted in an approved special warrant of $3,255,500 which was fully offset by federal revenue. An increase of $1,925,500 was approved through special warrant, fully offset by federal revenue, as part of the new federal/provincial Agricultural Policy Framework (APF) Implementation Agreement. The remaining budget increase of $950,000 was approved through special warrant to support the beef processing plant.

2003-2004 Expenditures and Revenue

Division	Original Budget	Revised Budget	Actual Expenditure/ Revenue
EXPENDITURE BUDGET			
Corporate and Financial Services	$12,095,700	$9,718,200	$8,530,839
Strategic Planning and Measurement	$491,400	$428,800	$441,607
Forestry and Land Resource Modeling	$5,,647,600	$5,588,400	$5,458,302
Agriculture Resource Division	$9,101,600	$16,128,400	$15,121,582
Agriculture Policy and Regulatory Division	$4,605,600	$6,208,600	$6,776,465
Fisheries and Aquaculture	$2,506,700	$2,506,700	$2,504,116
Total	$34,448,600	$40,579,100	$38,832,911
REVENUE BUDGET			
Corporate and Financial Services	$425,800	$2,350,8000	$3,164,491
Strategic Planning and Measurement	$0	$0	$0
Forestry and Land Resource Modeling	$808,100	$808,100	$849,258
Agriculture Resource Division	$214,500	$3,470,000	$3,403,885
Agriculture Policy and Regulatory Division	$202,400	$202,400	$167,953
Fisheries and Aquaculture	$35,000	$35,000	$41,648
Total	$1,685,800	$6,866,300	$7,627,235
TOTAL NET	**$32,762,800**	**$33,712,800**	**$31,205,676**

Based on Financial Reports of September 9, 2004

Corporate and Financial Services Division

The Corporate and Financial Services Division provides financial, human resource, information technology (IT), and administrative services to departmental personnel in the areas of:

- financial management
- corporate IT management
- personnel administration
- human resource development
- administrative support services

Agriculture business risk management programs are also administered by the Farm Income Risk Management section of the division.

Human Resources, Finance and Administration Section

A highly skilled professional workforce is necessary to achieve the strategic goals of the department. To ensure that staff have the appropriate skills, the department's Human Resource Development Policy provides staff with opportunities to address knowledge and skill gaps. Employees were supported in a number of areas including leadership development, continuing education and professional certification.

The department continues to be committed to human resource planning. Management participates in a planning process to ensure alignment of human resources with the department's strategic goals. Consultations were held with directors responsible for the Sustainable Resource Policy to better understand the human resource implications of implementing the policy.

The importance of employee wellness and work-life balance is recognized by the department. Initiatives aimed at supporting employees with work-life balance issues including flexible work arrangements, deferred salary plans, and temporary reduction in work hours have been highly utilized by employees. In addition, the department has established an Employee Council, a group of employees representing all divisions to work in partnership with management to enhance the work environment.

Recruitment activities increased from the previous year. This is a result of the transfer of 20 Fisheries and Aquaculture employees from the Department of Environment. In addition, government initiated a casual conversion process in an effort to stabilize the workforce. This involved the conversion of long term casual positions, where the work was ongoing, to permanent positions.

Staffing Activity

DIVISION	APPOINTMENTS	TEMPORARY ASSIGNMENTS /ACTING	RETIREMENT/ RESIGNATIONS/ PERSONAL LEAVE	RECLASSIFICATION	TOTAL
Corporate and Financial Services	8	6	2	4	20
Strategic Planning and Measurement	0	0	1	0	1
Agriculture Resource	4	5	1	0	10
Forestry and Land Resource Modelling	2	16	1	0	19
Agriculture Policy and Regulatory	2	1	1	1	5
TOTAL	16	19	4	5	44

POSITION ESTABLISHMENT (as of March 31, 2004)

	Full Time	Part Time	Total
Minister's Office	5	0	5
Corporate and Financial Services	26	7	33
Strategic Planning and Measurement	7	0	7
Agriculture Resource Division	61	5	66
Forestry and Land Resource Modelling	32	33	62
Agriculture Policy and Regulatory Division	20	10	65
Fisheries and Aquaculture	15	5	20
Total	166	57	223

In addition to the above established permanent positions, the department employed sixteen (16) students and two hundred and one (201) casual employees. A number of the casual employees would have been converted to permanent employees through the casual conversion process.

The Finance and Administration unit continued to serve the department's needs by providing advice, assistance and departmental co-ordination in the areas of budgeting, financial forecasting, accounts payable, accounts receivable, claiming activities under federal-provincial agreements, risk management, vehicle fleet management, telecommunications system administration, contract management and reporting requirements, accommodation requirements, records management activities, as well as the provision of reception and courier services. On-going support was also provided to Departmental users of the ORACLE Financial Information System.

Farm Income Risk Management Section

The Farm Income Risk Management Section supports Prince Edward Island agriculture through the delivery and funding of agricultural business risk management programs. The 2003/04 year was a transition one with the completion of the delivery of support under the Canadian Farm Income Protection (CFIP) program for the 2002 claim year and the beginning of delivery of programs under the Business Risk Management (BRM) section of the new Agricultural Policy Framework (APF). The province signed a five-year Agricultural Policy Framework Implementation Agreement and preparations began for the delivery of the new Production Insurance (PI) and Canadian Agricultural Income Support (CAIS) programs. The new agreement will see a 60/40 cost sharing of benefits between the two levels of government.

The package of programs, which was offered in 2003 to assist in reducing the impact of income reductions for individual farmers, consisted of:

- Basic Net Income Stabilization Account (NISA) - terminated with criteria set up to phase it out over the next five years
- Crop Insurance Yield Guarantee Program - changed to Production Insurance in 2004
- Crop Insurance Bacterial Ring Rot Protection Plan
- Canadian Farm Income Program (CFIP) effective for the 2000, 2001 and 2002 claim years; including a companion program covering negative margins for 2000, 2001 and 2002 - terminated with 2002 support year.

The province also provided funding for the following:

- Environmental Farm Plan Initiative in Crop Insurance
- Elite Seed Potato Quality Improvement Program

Results achieved in 2003/04

There is a continued need for effective agricultural safety net programs. Livestock commodity prices fluctuated dramatically with the discovery of Bovine Spongioform Encephalopathy (BSE) in May. Grain margins remained low while potato inventories were high but prices were low, and market demand was poor.

The trend for increasing participation in crop insurance continued with insured acres up 19.5 percent to 104,000 acres. The 2003 planting season was on time and there were almost ideal growing conditions over the summer and fall. The final result was a better than average yield of good quality potatoes. Low market demand, however, saw large potato inventories on hand in the spring of 2004. Persistent low demand caused some of this inventory to be destroyed. Claims for yield losses in 2003 were again low with a loss ratio of 0.32. The low number of claims in 2003 allowed the Corporation to again

strengthen reserves and reduce premium rates for 2004. The 2001, 2002 and 2003 years clearly show the uncertainty, risk level and volatility in the agricultural industry and a desire by producers to offset some of their risk with government sponsored insurance programs.

The Spring Cash Advance program offered by Agriculture and Agri-Food Canada was continued. The demand for CFIP support was high as many of the potato operations experienced losses due to market demand and low prices. The beef industry was devastated with the discovery of Bovine Spongioform Encephalopathy (BSE) and the closure of the US border. Depressed beef prices lead to falling hog prices and reduced margins.

CROP INSURANCE PROGRAM
Yield Guarantee

Crop Year	Farms (#)	Contracts (#)	Acres (#)	Coverage ($)	Premiums ($)	Indemnities ($)
2003*	394	1114	104,050	62,689,055	5,182,358	1,690,827
2002	352	985	87,523	50,368,610	5,003,599	925,680
2001	291	980	72,639	42,964,609	2,938,440	10,640,171
2000	335	886	66,985	37,773,815	2,770,575	2,677,564
1999	194	477	45,627	35,853,391	2,188,217	2,519,035
1998	176	396	37,721	25,099,340	1,486,431	1,706,544
1997	151	344	26,665	23,969,615	2,171,834	822,607
1996	147	370	25,518	21,015,561	2,038,515	1,946,898
1995	163	379	24,037	23,730,283	2,212,617	1,482,610
1994	155	369	22,867	22,629,486	2,462,432	1,990,495

** Not all claims were settled by the end of the year.*

Note: CI premium cost share in 2003 was 40% federal, 27% provincial, 33% producer

BACTERIAL RING ROT PROTECTION					
Year	Farms (#)	Potato Acres Insured	Insured Value ($)	Premiums ($)	Indemnities ($)
2003	17	6,369	986,266	49,313	0
2002	14	4,481	682,242	34,112	48,000
2001	10	3,433	461,358	23,068	0
2000	9	2,759	389,973	19,499	0
1999	12	3,578	505,286	25,264	0
1998	21	5,249	677,508	33,875	0
1997	21	3,659	614,950	30,071	0
1996	36	8,121	1,014,563	50,628	54,319
1995	52	11,214	1,424,432	71,243	0

Note: Prince Edward Island Department of Agriculture, Fisheries, Aquaculture and Forestry contributed 33 percent of the Bacterial Ring Rot Protection Premiums

AIDA/CFIP INCOME DISASTER ASSISTANCE			
CLAIM YEAR	Qualifying Applicants	Average Payment per Applicant	Total Payments
CFIP - 2002 claim year	205	$45,803	$9,389,673
CFIP - 2001 claim year	209	$41,885	$8,754,077
CFIP - 2000 claim year	235	$30,974	$7,278,885
AIDA - 1999 claim year	246	$27,490	$6,762,715
AIDA - 1998 claim year	251	$25,040	$6,285,064

** Payments are cost shared 60 percent by Canada and 40 percent by Prince Edward Island. All claims paid at 100%.*

NET INCOME STABILIZATION ACCOUNT				
Year	(#)	Provincial Contribution ($)	Withdrawals by producers ($)	Account Balances ($)
2003/04	819	1,321,127	20,878,784	37,822,568
2002/03	923	1,589,901	9,989,970	49,915,241
2001/02	887	1,605,152	12,589,008	44,999,235
2000/01	888	2,686,024	10,885,480	47,634,097
1999/00	862	2,671,162	7,618,444	41,257,786
1998/99	816	2,331,105	8,795,028	33,846,019
1997/98	745	2,042,700	4,149,699	28,029,100
1996/97	707	1,873,700	1,476,727	19,523,000
1995/96	638	790,000	510,765	9,658,000

Provincial contribution is two percent of eligible net sales plus our share of the interest bonus.

Note: Canada contributes two times the amount the province contributes to NISA annually.

ELITE SEED POTATO STRATEGY				
Program	Applicants	Acres	Average Pmt	Total Amount
2003 ESPQIP - CIP assistance[3]	26	1,857	$ 1,314	$ 34,160
2002 ESPQIP - CIP assistance[2]	25	3,024	$ 2,681	$ 67,034
2001 ESPQIP - CIP assistance[1] ESPQIP - /acre payment	 68 40	 6,652 1,438	 $ 5,017 $21,574	 $341,155 $862,977
2000 Virus Reduction - CIP assistance Seed Incentive/acre	 108 39	 6,269 1,433	 $ 3,659 $22,056	 $395,164 $860,181

Notes:

[1] CIP assistance is additional subsidy up to $75/acre for crop insurance premiums. The per acre incentive was $600/acre for specified varieties and seed classes that were dead by August 12.

[2] CIP assistance was 8.33 percent of total premiums which reduced the producer costs for the Elite Seed Plan from 33.33 percent to 25 percent

[3] CIP assistance was 8 percent of total premiums which reduced the producer cost for the Elite Seed Plan from 33 percent to 25 percent

Environmental Farm Plan (EFP) Discount - 2003		
Applicants #	**Average Payment**	**Total Amount**
315	$425	$134,039

The province introduced an environmental farm plan discount for those producers in crop insurance who completed an EFP training course. The discount was three percent of total premiums or a 10 percent discount to producers premiums. This initiative supports the province's emphasis on environmental farm planning. This initiative helped to promote the EFP program within the farming community.

Information Technology Services Section

The mandate of the Information Technology Section is to assist the various divisions and sections of the department in sound information management and the delivery of programs and services to clients through efficient and cost effective mechanisms.

The Information Technology (IT) web development staff underwent an extensive training course, to be better able to develop applications on the internal and external web servers. Internally, our intranet web site is undergoing a re-write, with new features and navigation that will enable departmental staff to personalize the site for their use and be a valuable central resource of information. Externally, the department's presence on the government's external web server, formally referred to as the Agriculture and Forestry Information Center (AFIC), completed a major transformation with the addition of Fisheries and Aquaculture. This project is a cooperative effort taken on by the department's entire web development staff, the agriculture information officers, and web development staff of the Department of Development and Technology. It is intended to bring better organization and easier access to information for farmers, foresters, fishers and the general public.

Traditional application development continues to be a cornerstone of the IT section's role in providing data management and program delivery tools. This year saw a large programming effort aimed at revisions to existing farm business risk management programs and the development of a new application to support the implementation and delivery of the new Canadian Agriculture Income Support (CAIS) program. A large investment in time and effort is expected to be required to maintain and enhance these applications over the next few years.

The other area of major effort for the development staff is in maintenance of the department's database infrastructure. Proper database design and maintenance is often transparent to most of the department. Ensuring that current and historical data is properly stored, accessed, secured and backed up is a critical component of the services provided.

Our primary Novell server provides services to employees at the fifth floor Jones Building, the Research Station and Upton Road Forestry through our local area network (LAN) while a separate server manages the Soil and Feed Lab. We continue to replace and upgrade departmental computer systems through the corporate lease program. Network services and connectivity are provided to approximately 200 workstations with the assistance of the government wide area network (WAN). Mini LANs in each office and high speed internet allow staff in the Dairy Lab, Potato Services, Farm Centre, Plant Health Lab and the Beach Grove, Wellington and Southampton Forestry offices convenient access to network services within the department and the rest of government.

Strategic Planning and Measurement Division

Strategic Planning and Measurement Division is responsible for planning, monitoring, research and analysis, policy development and program evaluation. The division is committed to improving the quality of advice, assistance and information primarily to internal clients which include the minister, deputy minister and other department staff. External clients include staff from other provincial government departments, federal staff, industry organizations and the public.

Policy Development

The Sustainable Resource Policy Development continued in 2003 and culminated in the development of an implementation strategy that included re-defining goals, objectives and targets and working with an interdepartmental group to develop detailed action plans.

Staff participated in an agricultural apprenticeship initiative which involves skill definition, development of core competencies and individual learning plans for long-term learning opportunities for farmers and farm workers.

Division staff also participated in the development of an environmental services initiative for producers which would reward those who, in addition to production from their farms, also provide society with benefits such as clean water, healthier soil, healthier forests and the maintenance of biodiversity.

The division director chaired the Land Use Coordinating Committee (LUCC) and prepared the 2003 annual report.

Staff presented a paper at the 2003 meeting of the Canadian Society of Ecological Economics (CANSEE) in Jasper, Alberta. The paper, "Keeping the Garden Green," explained the philosophy behind, and operationalizing of, Prince Edward Island's Sustainable Resource Policy.

Planning and Evaluation

Staff supported different community groups and projects. Strategic planning and facilitation was provided to the Trout River Watershed Group and assistance in the development of a management plan. Staff also helped develop terms of reference for the Wild Blueberry Growers.

Research and Analysis

The department's strategic plan of the department calls for periodic surveys of the department's clientele which attempt to measure public opinion on agriculture and forestry issues. The most recent survey was completed in fall, 2003.

Staff contributed provincial perspective to ongoing federal-provincial consultations on biosafety and climate change. Internally, staff provided research in the following areas for internal clients: outcome-based programs, strategic planning, comprehensive land use planning, information management, nutriceuticals and functional foods, and alternate forms of measurement.

Monitoring

The document, State of the Environment Report was released by the province in June, 2003. Staff worked with the Department of Environment and Energy to develop indicators which will best measure and define progress in natural resource management.

Staff also worked with other government agencies to provide advice in the following areas: adoption of agri-environmental indicators appropriate for Prince Edward Island (under the Agricultural Policy Framework), apprenticeship (through the Agriculture Human Resource Development Council), the Science and Innovation pillar of the Agriculture Policy Framework, and ongoing reporting of data from farm programs and government expenditures for the compilation of the Farm Income and Financial Conditions Data Book prepared by Agriculture and Agri-Food Canada.

The division co-sponsored (with the Canadian Rural Partnership) a study on the value of Social Capital in Agriculture which will form a final volume of the Genuine Progress Index (GPI) Agriculture Accounts.

Agriculture Resource Division

Farm Extension Services Section

The primary focus of the Farm Extension Services (FES) section is on-farm agricultural extension, agricultural information management, and industry development. The section promotes a strong interaction among three staff units to provide a unified service to producers.

Agriculture Information Officers

The three officers provided clients with a first point-of-contact for information on commercial and general agriculture inquires. Over 2900 telephone requests were addressed during the year. Staff were responsible for responding to e-mail requests that were received through the government website. As farmers and the public continue to increase their use of the web as an information source, staff continued to improve and build upon the content of the department website - www.peifarm.ca. There were over 189,000 visitors to the site during the year, this was double the number from the previous year.

The unit was responsible for an e-letter service to farmers and agribusiness. Every two weeks an e-mail was compiled that included links to articles of information, news and/or reports that are available on the Internet. The links included, but were not limited to, local, regional, national and international industry news, markets, research and development, innovation, farmer profiles, industry statistics, production and financial management information. The purpose of the e-letter service was to increase knowledge for decision making through information delivered via e-letter, to introduce farmers via a 'push' method to using e-mail and the Internet, and to increase communication and information dissemination to farmers via e-mail and Internet. The e-letter was e-mailed to over 500 recipients. The response has been very positive.

The staff also worked closely with staff from other units, sections and divisions assisting with the coordination of workshops and information sessions. Special projects completed by the officers included a "Programs and Services Guide," "Seed Certification Booklet" and "Potato Guide."

Industry Development Officers/Specialists

The unit consists of seven industry development officers/specialists, two technical staff and a supervisor. The commodities include: potato, dairy, beef, reduced input/organic, vegetable, berry crop, field crops, and farm management. Staff work closely with their corresponding commodity association or board to initiate industry development projects and action items from strategic plans. The specialists were involved in evaluation of new crops and conducted on-farm research in a variety of crops. The unit has taken a lead role in developing diversification ideas which show potential on Prince Edward Island.

During the past year, a number of new projects were started including the Future Farmer Program. The program provides financial assistance to support training and farm development activities for people entering farming. Assistance to farm families in succession planning was an important part of the service provided by the section, as was participation in industry-led dairy research and support for development activities related

to organic production practices. Staff also worked closely with farmer organizations in implementing quality programs to enhance on-farm food safety.

The use of field crops as a source of renewable energy (biofuel) has the potential to enhance the economic sustainability of crop rotations, and investigation continues into the development of this technology.

Staff members worked closely with farm organizations in addressing issues raised by the appearance of one case of Bovine Spongioform Encephalopathy (BSE) in Canada and in designing and delivering compensation programs to affected farmers.

Working in conjunction with the newly created Prince Edward Island Certified Organic Producers Cooperative, the department through the Organic Nutrient Management Program provided financial assistance to 14 cooperative members to offset a percentage of the cost of applying off-farm approved organic nutrients. The program encourages producers to utilize soil reports to better manage nutrients in the production cycle.

The Organic Certification Assistance Program reimbursed a portion of the cost of certification for 25 certified organic producers, processors, and handlers in 2003/04.

The specialist group also conducted production trials and demonstrations in potatoes, fruit crops, vegetables and cereals.

Extension Agrologists

Nine extension agrologists work out of district offices located in West Prince, Summerside, Charlottetown and Montague. Agrologists provide a strong one-on-one extension service to producers and collaborate with other staff and industry to develop and deliver commodity specific events at district, provincial, regional and national levels.

Examples of agrologist activities include working with producer management clubs to coordinate their winter programs, assisting with delivery of the Advance Payment Program for Cereals, serving as the Island technical representative for the Canadian Quality Milk Program, assisting the beef industry by acting as Feeder Loan Coop Supervisors, conducting on-farm corn variety trials, completing a canola cost of production, circulating district newsletters to producers, and participating in Nutrient Management training courses to assist producers in this area.

Workshops, information sessions and field days were hosted for Island producers in many commodity areas.

A key role of extension agrologists is to deliver the Future Farmer Program. Agrologists act as program advisors for future farmers, and along with providing extension advice they assist producers with the completion of their learning plans and in identifying appropriate training and learning opportunities.

Agrologists are proactive in ensuring producers have the information needed to make informed decisions. Decision areas include: assisting producers with production and management issues, expansion options, identifying training needs, and farm succession. Agrologists are also involved in the development and promotion of departmental policies, programs and services, environmental farm plans, pesticide certification, and awareness and interpretation of environmental legislation.

Sustainable Agriculture Resources

The Sustainable Agriculture Resources Section offers technical advice to farmers and landowners on soil conservation, integrated pest management, nutrient management, manure management, efficient use of water for irrigation purposes and site specific weather forecasting.

This section is responsible for the Sustainable Resource Conservation Program (SRCP) which provides financial and technical assistance in specific program areas: soil conservation (strip cropping, terracing, grassed waterways), manure storage, livestock fencing, stream crossings and alternate watering systems, planting hedgerows, fuel and pesticide storage, milkhouse waste management, deadstock composting, Nutrient Management Planning and Integrated Pest Management (IPM).

A complete summary of the projects funded in 2003/04 appear in the following table.

Sustainable Resource Conservation Program		
Completed Projects	**Number of Projects**	**Dollars Spent**
Manure Storage	24	$604,802
Soil Conservation	54	$237,601
Hedgerows	2	$720
Fencing and Watering	73	$315,384
Fuel Storage	41	$141,951
Pesticide Storage	3	$48,382
Milkhouse Waste	7	$11,933
Deadstock Composting	2	$37,565
Integrated Pest Management Protocol	74	$154,919
Nutrient Management Plans	43	$37,115
Totals	**323**	**$1,590,372**

The department continued its emphasis on Nutrient Management Planning. Under the Sustainable Resource Conservation Program forty-three (43) applicants completed nutrient management balance sheets involving approximately 7,500 acres of agricultural land. A practical nutrient management workshop was held in Charlottetown for those individuals who had participated in the Atlantic-based nutrient management training course that was offered at the Nova Scotia Agricultural College in Truro. The practical workshop and course offered in Truro will serve as the foundation for nutrient management certification in Prince Edward Island. Farm scale nutrient management research plots were established in 2003/04 with Island producers and agri-businesses in an effort to develop Island-based nutrient recommendation and removal rates.

The Sustainable Agricultural Resource staff continued to work with Island landowners to assist them with meeting the requirements of the Agricultural Crop Rotation Act (ACRA). Preliminary conservation plans were developed for hundreds of properties for which land owners wished to meet the requirements of the legislation by matching their

management to the topography on their fields. Land owners constructed erosion control structures and/or established strip cropping on 4660 acres in 2003.

With respect to Integrated Pest Management, a comprehensive Integrated Pest Management (IPM) manual for potato production was distributed to all growers and potato scouts in the province in June, 2003. Under the SRCP, the IPM Protocol Incentive program was expanded to include cole crops, rutabagas, and carrots as well as potatoes. Approximately 75 growers applied for and received this incentive. The pesticide reduction pilot program was continued in 2003 and financial incentives were offered to 20 farms to demonstrate options for reducing the use of pesticides in commercial agriculture.

The IPM specialist worked with a number of potato producers to try to determine the effect of European cornborer infestations on potato yield. Preliminary results have indicated the level at which populations should be controlled, and this research will continue in the 2004 growing season. This project was a direct result of a recommendation made by the commodity-based risk reduction strategy for potatoes in Prince Edward Island and New Brunswick. This group continues to meet and discuss options for implementation of the recommendations.

Extension staff were involved in the production of the pest management section of a number of crop profiles requested by Agriculture and Agri-Food Canada (AAFC) in 2004. These profiles will be used by AAFC in developing risk reduction strategies as well as by the Pest Management Regulatory Agency (PMRA) to make better informed regulatory decisions. The IPM specialist continues to take part in the minor use pesticides program and represented the needs of Prince Edward Island growers at the National Minor Use Priority Setting Meeting in Ottawa, March, 2004.

The SRCP program cost-shared 24 manure storage projects in 2003. The program advisor provides technical advice to all producers who make application to the program and has input into the environmental assessment of the site for building permit purposes.

The farm weather forecast was offered to 79 producers and interested government and agribusinesses in 2003. Five weather stations were used to provide a specific forecast in three hour increments. Subscribers to the service also received updates on the blight severity index. The weather monitoring network was also used in IPM projects.

The department continued its financial support to the Prince Edward Island Soil and Crop Improvement Association to assist with providing technical support to livestock producers for eliminating cattle access to watercourses and to provide alternate watering systems. SRCP provided financial assistance to 73 livestock producers in 2003/04 for eliminating cattle access to watercourses. By the autumn of 2003, 85 percent of all livestock on Prince Edward Island no longer had access to Island watercourses.

All specialist staff within the Sustainable Agriculture Resources Section were involved in the development and review of an updated version of the Environmental Farm Planning Workbook which will be used by all agricultural producers doing an Environmental Farm Plan in Prince Edward Island, New Brunswick and Newfoundland. This new workbook was completed and available to producers in the summer of 2004.

Sustainable Agriculture staff continued to provide technical and organizational advice to support industry initiatives such as Environmental Farm Planning. They have made a key contribution to the Soil Quality Monitoring Project. Staff continue to respond to public concerns about farming practices and animal welfare.

Dairy Laboratory

The dairy section is responsible for enforcement of the *Dairy Industry Act*. During this fiscal year 246 dairy farm inspections were conducted, 233 farm inspections were carried out and 493 on-farm milk quality calls were made. A total of 4,633 processed dairy product samples, 12,664 milk payment samples and 134,893 ADLIC samples were analyzed.

Plant Health Research and Diagnostics Laboratory Section

The major focus of the laboratory continues to be the potato industry. The diagnostics laboratory processed 440 plant samples this year. The aphid alert program served 85 producers, associated producer groups and experimenters.

Research to develop monitoring systems that measure the microbial health and quality agricultural soils is on-going. A variety of research studies is underway to evaluate sustainable crop production systems that utilize organic-based foliar and soil amendments. These include the use of 'compost teas', 'seaweed extracts' and 'seafood/crab shell-based composts' in potato production systems. A collaborative study characterizing a new species of plant growth promoting bacteria is currently in progress between the our laboratory and laboratories at Siebersdorf (AUT), the Universities of Gent (BEL), Reims Champagne-Ardenne, (FRA), Virginia Polytechnic Institute and State University, (USA) and Waterloo (CAN), and Nova Scotia Agricultural College. Experiments to evaluate the use of garlic sprays as natural aphid repellants to reduce the transmission of aphid-borne viruses within potato fields has been extended to sites in Nova Scotia and New Brunswick.

Analytical Laboratories

The Prince Edward Island Analytical Laboratory, an amalgamation of the Soil and Feed Laboratory, the Water Chemistry Laboratory and the Water Microbiology Laboratory with Department of Environment and Energy continues to offer a wide range of analytical services.

The laboratory's feed and water programs are accredited with the Standards Council of Canada in partnership with the Canadian Association of Environmental Analytical Laboratories. The lab also holds accreditation for seed germination with Canadian Food Inspection Agency and the Canadian Seed Institute. An assessment of the seed germination program was conducted in November 2003. The feed and water programs will be assessed in September of 2004.

As part of the nutrient management initiative, the lab has added ammonia testing of manure samples to its scope of testing.

This year the lab processed over 19,000 samples in the soil and feed programs with a generated revenue of approximately $190,000.

Agriculture Policy and Regulatory Division

The Agriculture Policy and Regulatory Division has a wide ranging mandate, which includes federal, provincial and territorial agricultural policy and trade issues, administration of industry development programs, on-farm food safety, plant health, Marketing Council, supply and non-supply managed commodity liaison, domestic and foreign trade, research and legislation.

The division works in partnership with general agriculture and agri-food organizations, provincial commodity organizations and educational institutions in the development and implementation of industry-led strategies that address short and long term critical issues and create wealth for the agri-food sector in a sustainable fashion.

Also contained within the division are the Regulatory Services and Plant Health Section, as well as the Marketing Council. Staff deal with federal and provincial policy issues that affect the Island's agricultural industry. The section represents the department on numerous federal/provincial/territorial committees that determine the direction of emerging issues such as traceability, disease emergency preparedness and food control systems.

Agricultural Policy Framework

The division worked closely with its provincial counterparts, and the federal government in developing the new agricultural policy framework for Canada. The new Agricultural Policy Framework (APF) agreement has a goal of securing the long term prosperity and success of the agricultural and agri-food sector by being the world leader in food safety, innovation, and environmentally responsible production.

Food Safety and Animal Health Systems

Several provincial commodities continue to implement the national on-farm food safety programs. The potato industry is utilizing the Canadian Horticultural Council's potato food safety program in order to meet the demands of the marketplace. Prince Edward Island hosted a nationally delivered on-farm auditing course, ensuring the availability of locally trained auditors for those farms that seek validation.

The department, in co-operation with Canadian Food Inspection Agency and industry, continues to prepare for the outbreak of a foreign animal disease. In the past year, the division has been active in numerous provincial and national committees on carcass disposal, traceability, zoning and emergency preparedness. The division initiated and co-ordinated the geo-referencing of all the major livestock and poultry operations on the Island.

Harness Racing

The Prince Edward Island Harness Racing industry hosted two significant events in 2003. The opening leg of the World Driving Championship was an overwhelming success. Prince Edward Island was recognized by the national organizing body, Standardbred Canada, for its efforts. Ten drivers from around the world competed. The resulting press

coverage and positive feedback from participants and delegates will have a lasting positive impact on our local industry.

The Atlantic Breeders Crown was again hosted by Prince Edward Island in October. Excellent crowds and wager resulted from the event, which also recognized the long term involvement of various harness racing families, the storied history of Maritime harness racing, and the success of the regional breeding industry.

The Prince Edward Island Harness Racing Industry Association was further assisted with the continuing development and implementation of its strategic plan. This plan identifies the required actions to help sustain the sector, and provides a long term blueprint for industry growth.

Regulatory Services Program

The Regulatory Services Section administers and enforces legislation and regulations relating to agriculture and animals. Activities include inspections under the Dairy Industry Act, the Companion Animal Protection Act, and the Bee Health regulations, and responding to complaints under the Animal Health and Protection Act and the Fences and Detention of Livestock Act. Staff are also responsible for the legislative initiatives of the department, requests made to the department under the Freedom of Information and Protection of Privacy Act and administration of the farm registration legislation.

Marketing Council

Each year, as required by the Natural Products Marketing Act and regulation, Marketing Council submits an annual report to the legislature.

Plant Health

The Plant Health Act and potato regulations involve such issues as planting audits, transport vehicle disinfection and post harvest virus testing. Staff are involved with disinfection service calls, inspection and audit activities in support of cull potato disposal and planting standards, sample collections of post harvest virus testing, and permits for the planting of potatoes originating outside the province.

Forestry and Land Resource Modeling Division

The Forestry and Land Resource Modeling Division promotes sustainable forest management on public and private lands. To achieve this, the division manages some 18,900 hectares of public land through the Provincial Forest section, provides advice and assistance to land owners through the Private Land section, collects and maintains forest inventory and land use information through the Resource Inventory and Modeling section, and produces tree seedlings for a variety of public and private land planting and tree improvement programs through the Production Development section. Forest fire suppression on private and public lands is also provided. Forest information programs engage the public in forest-related issues and policy work contributes to all the division's programs.

Support is offered through the production of tree seedlings for reforestation programs on private and provincial porest lands, riparian zones, hedgerows, nurseries, Christmas tree growers and tree improvement programs.

In May 2003, the *State of the Forest Report* was released in the Legislature. Total forest area decreased by roughly six percent between 1990 and 2000, due in large part to conversions of forest to agriculture, primarily on private lands. During the same time, softwood sawlog harvest volume more than tripled and standing volume decreased by 24 percent. Computer based forest growth models indicate that the Island's forest industry will experience a serious decline in the availability of softwood sawlogs for the next several decades.

In July, Kate MacQuarrie was appointed as Director of the Forestry and Land Resource Modeling Division. For eight years, she was Executive Director of Island Nature Trust where she worked closely on forest conservation initiatives with landowners and published a range of articles in both scientific and popular journals. She replaced Jerry Gavin who had capably led the division as the director since 1988.

In August, the province acquired a six-hectare woodlot in Kensington, within one of the most intensively farmed areas of the province. This green space is expected to contribute to the environmental health of the area, give more people a reason to hike and cycle, and serve as a model for community involvement in sustainable forest management.

The province also launched the Greening Spaces program in August to encourage Island communities and schools to plant trees for the future. The program provides free trees, shrubs, planting advice and small grants to those interested in such stewardship. It is committed to fostering environmental awareness and landscape enhancement.

In October, the Public Forest Council sponsored a non-timber forest products forum. Workshops and seminars highlighted opportunities in maple products, wild fruit preserves, nutraceuticals, start-up financing and lures for the eco-tourist.

In March, the Public Forest Council released its new video entitled *The Forest is More Than Just a Bunch of Trees* in both English and French. The 20-minute video outlines the history of Prince Edward Island's forest and its many non-timber values.

Private Land Programs

The majority (88 percent) of Prince Edward Island forest land is owned and controlled by thousands of private woodlot owners. The department has a number of programs and initiatives designed to help land owners manage their forest lands.

Forest Enhancement Program

Initiated in 2002, the Forest Enhancement Program (FEP) continues to provide forest management advice to land owners and cost-shared treatments for the enhancement of wildlife, recreation, bio-diversity and timber values.

In 2003, 179 forest management plans were prepared by private sector consultants. Once these plans were approved by the department, land owners were able to access grant monies for silvicultural treatments such as pre-commercial thinning, riparian zone enhancement and crop tree selection. Grants totaled $78,000.

Forest Renewal Program

The Forest Renewal Program continues to attract land owners interested in receiving technical advice and financial assistance to plant their lands with commercial softwood tree species. In 2003, 2,174,400 seedlings were shipped from the J. Frank Gaudet Tree Nursery to private lands across the province. Expenditures and grants totaled $953,900.

Maintenance was completed on 814 hectares of previously established private land plantations. Client uptake continued to be good for the pruning and plantation cleaning incentives. Both of these treatments will help to improve the growth and quality of softwood timber and sawlogs.

The Forest Renewal Program continues to be supported by the harvest and processing industry, with strong demand by land owners for the resources provided within the program.

Model Forest Initiatives

The department became an active participant in the newly established Model Forest project, along with other groups including industry and non-governmental agencies. Incorporated as the Island Sustainable Forestry Partnership Co-op Ltd., the organization now has 21 partners involved in consensus building in sustainable forest management.

In 2003, the Prince Edward Island Model Forest project was able to secure $100,000 from the Canadian Forest Service for the development and implementation of a work plan. Sixteen projects were established by a range of groups including government, industry and non-governmental agencies to increase awareness and knowledge including the development of a Forest Learning Centre, six chainsaw safety courses, a study on the use of wildlife trees, management plan development for 30 riparian zones scattered across the Island, a migration monitoring and bird banding project, and sustainable management practices for contractors. The department provided a staff member to serve as a part-time project co-ordinator.

Woodland Stewards Cooperative

The department continued to provide a full-time forest technician to the Woodland Stewards Cooperative to oversee the preparation of forest management plans, supervise the harvesting operations and provide technical advice to the 76-member co-operative. Response by the co-op members was favorable. The secondment ended on March 31, 2004.

Tours of woodlots, both private and public, were conducted during the summer and fall months for visiting dignitaries, the general public, school children, teachers, departmental staff and the industry to increase awareness of the importance of stewardship in all areas affecting forest management.

Provincial Forests Program

Provincial Forest staff continued to demonstrate sustainable forest management on the 18,900 hectares of public forest land managed by the department. The provincial forest system is managed to ensure sustainable wood supply, wildlife conservation, biodiversity, recreation opportunities, training facilities, job creation, forest education, and other community benefits of public forests.

The program coordinates tree planting on Provincial Forests across Prince Edward Island. In 2003, 278,700 tree seedlings of 15 species were planted on 115 ha of the Provincial Forests. Chemical plantation maintenance under a tendered contract to the private sector was conducted on 34.8 ha after field assessments indicated that manual maintenance would be inadequate to control competing vegetation. As well, 0.2 kilometres of new forest access roads and a bridge were constructed and nearly 15 km of roads were maintained or upgraded. Assistance was provided to several schools on the development and planting of nursery beds and trees on school properties. In addition, planting sites were prepared on the Provincial Forest and technical support was provided for the Scouts Canada Trees for Canada program and the Batesville Memorial program. Central District provincial forest staff worked with the Scouts Canada representatives on the Camp Riverdale woodlands.

Under the supervision of provincial forest staff, seasonal forest workers thinned 25 hectares of softwood while 83 ha of softwood were tendered for harvest by local sawmills. Provincial forest tenders were offered on site preparation, fuel wood, harvested softwood and poplar, standing timber, and balsam fir tips. Along with tendered sales of harvested wood, this brought in revenues of $195,000 in 2003-04. This revenue was reinvested into the management and care of Provincial Forest lands.

The green diamond-shaped provincial forest identification signs erected where forest roads join the public highway system were publicized in newspapers, on the web, and on the highway map. These signs were designed to inform Islanders about the location and management of this public resource, and to encourage Islanders to visit and use these properties for outdoor recreation. Signage on the Demonstration Woodlot trail system was upgraded and replaced and staff assisted and coordinated tours with school and community groups, the Public Forest Council, and other groups.

Staff in the Eastern and Central District supported disaster relief operations by removing trees felled by September's Hurricane Juan that were blocking highways and access to facilities.

The fourth annual Provincial Forest Fall Frolic was held at the New Harmony Demonstration Woodlot in October. More than 100 participants came to walk the 4.5 kilometre trail or run the 13 km trails and enjoy the natural beauty of the Provincial Forest in fall. Participants raised $750 for MacIntyre House in Souris.

The Provincial Forest ENVIROTHON, a voluntary forest learning competition for teams of high school students, was held twice in 2003. Four teams from Charlottetown Rural and Bluefield High Schools competed for the 2003 Provincial Forest ENVIROTHON with a team from Charlottetown Rural winning the overall competition and being invited to the International Canon ENVIROTHON competition in Maryland. The 2004 Provincial Forest ENVIROTHON saw six teams competing from three schools with Three Oaks winning the overall competition. Students preferred the autumn event, and in future years ENVIROTHON will be an annual autumn event.

A very successful series of chainsaw safety courses designed for casual users was offered across the Island in 2004. As well, two balsam fir tipping tenders were offered on provincial forest lands to enhance the production of Christmas wreaths for export markets. Planning began for the inaugural "Giving Trees .... Giving Hope" fund raising initiative with the Canadian Breast Cancer Network. Other special initiatives included the provision of forestry displays at Northumberland Fisheries Festival and J. Frank Gaudet Tree Nursery Open House, and the provision of forestry technical advice for undertakings such as the Young Foresters 4-H Conference, the Elmira Mini Rail Project and the Roma Trail Project.

General Fire Situation and Statistics

It was a very quiet fire season thanks in part to favourable weather and higher levels of individual responsibility in the use of controlled burns. Up to season's end, 14 forest fires were reported on Prince Edward Island. In total, these fires burned nearly 12 hectares.

Elsewhere the situation was quite different. For the first time in the department's history, five staff members participated in Mutual Aid Resource Sharing (MARS) resource assignments to other provinces in August and September. One group responded to Parks Canada agency fires in Kootenay National Park and the other to the British Columbia Ministry of Forests in McLure.

Fire Prevention Activities

The forest Fire Weather Index (FWI) components are calculated from the meteorological data collected at three sites using REMS software. It is programmed to automatically fax or e-mail the FWI code to cooperating agencies daily. The numerical rating for fine fuel moisture content, duff moisture code, drought code, initial spread index, buildup index, and the fire weather index which are indicators of fire behaviour was then conveyed to the district offices, headquarters, and cooperating agencies for posting.

The wildfire danger rating was provided to the local radio stations, Meteo Media, ATV, and MITV, newspapers, and other departments through Island Information Services and is made available during the fire season via telephone or the internet.

Meetings were held with fire chiefs to discuss new GIS based maps for fire truck filling stations and with the Western Prince Edward Island Mutual Aid Group.

Equipment Development

A new Muskeg Bombardier was acquired to replace the J-5 Bombardier. Work is underway on tank design and fabrication. Problems with aluminum corrosion and tank perforation on two forest fire tankers were addressed. A new QuattroPro-based equipment inventory system has been designed and will be tested in 2004.

Training

The Basic Forest Fire Suppression course was provided to volunteer firefighters at several locations and to Renewable Resource Management students at Holland College. One department staff member took the Canadian Incident Command System 100 (ICS) course at Greenwich, Prince Edward Island National Park. In partnership with the Parks Canada Agency and the provincial forest program, some 50 staff from the Departments of Agriculture, Fisheries, Aquaculture and Forestry and Environment and Energy and the Prince Edward Island National Park were certified in ICS 100/200 training. This initiative will allow better coordination of forest fire management in both Prince Edward Island and Mutual Aid Resource exchanges in Canada and United States.

In September, the department hosted the Atlantic Forest Fire Coordinating Committee meeting in New London, Prince Edward Island.

Public Forest Council

The Public Forest Council initiatives in 2003/04 centered on the stimulation of public discussions on the non-timber wealth potential of the Island's 33,200 hectares of public forest land, consultation with community organizations and private sector entrepreneurs, and the review of proposals for non-consumptive and non-timber uses.

Council membership is composed of six private sector representatives and three public sector members from the department and from the Department of Environment and Energy. Secretariat services are provided by the department The council's representation includes broad-based expertise relevant to the forest resource and the types of proposals which would likely be brought forward. Forest biology, business economics, community development expertise, forest management, and/or tourism industry expertise are also skill sets sought on the Board.

The inaugural Non-Timber Forest Products Forum was hosted in October by the Public Forest Council. Wealth creation discussions were held on a host of non-timber forest product cottage industries. Two tenders were awarded to Christmas tree growers to manufacture and sell wreaths.

In response to the council's well-attended Kensington public meeting in April 2002, approximately nine hectares of land were purchased for the creation of a public forest near Kensington. This land will allow access between the forest and the Confederation Trail. The council and Town of Kensington officials met to discuss some of the facets regarding management plans for these public forest lands. Work was initiated on botanical surveys.

The council announced the launch of the video "*The Forest Is More Than Just a Bunch of Trees*" in December but weather led to a new launch date in March 2004. This video

was released to the public in English and in French.

A Model Forest grant allowed the council to partner with the provincial forest program to establish a website on non-timber forest products and to further the development of the Virtual Forest Learning Centre concept. The latter project culminated in the publication of the "Towards a Forest Learning Centre for Prince Edward Island".

In addition to these efforts, the council responded to concerns and requests regarding public forest lands on the issues of ground hemlock, scenic heritage roads and recreational access licenses.

Forest Policy

Harvest Trends

Lumber market prices improved in 2003, although this was not reflected in softwood sawlog harvest volumes. Both domestic and export sawlog volumes were down. Georgetown Timber is the largest producer and miller on the Island. Imported roundwood from New Brunswick and Nova Scotia represents about 12 percent of the total used to produce the Island's 45.5 million foot board measure (fbm) of lumber in 2003. Pulpwood exports were up almost 40 percent over 2002, and 27 percent over the previous five-year average. Sawlog harvests were down about 15 percent from 2002, and from the previous five-year average although sawlog consumption by Island mills remained relatively consistent with the last three years' harvest levels.

The value of the delivered primary products is estimated to be about $38.7 million, with an additional $6.3 million of value added from sawmilling.

Mixed wood harvests are increasing as pure softwood stands become harder to find. This has resulted in more hardwood being available for market. Oriented Strand Board (OSB) type product shipments increased in volume by almost 55 percent over 2002 figures and were over 90 percent greater than the five-year average. Fuel wood harvests which are predominantly hardwood were estimated to have increased by about 10 percent due in part to public concern about high oil prices. Hardwood pulpwood shipments to the U.S. have increased in recent years and represent about 12 percent of overall pulpwood shipments.

Canada/United States Softwood Lumber Dispute

The U.S. countervailing (CVD) and anti-dumping (AD) duties, imposed in 2001 following termination of the five-year-Softwood Lumber Agreement, were still in place in 2003. Although the Atlantic provinces are excluded from the 19 percent CVD charges, Maritime lumber exporters do pay the 8.43 percent AD duty which has placed a roughly $100 million burden on the regional industry over the past two years. Preliminary World Trade Organization (WTO) and North American Free Trade Agreement (NAFTA) panel rulings on the many complaints Canada has raised with the US actions have not resulted in clear decisions to date. A long term negotiated settlement is favoured by some provinces, while others prefer a litigated resolution through the WTO and NAFTA. The latter is a long drawn-out procedure which might not result in a decision until 2006.

The Atlantic position with respect to either of the two-track approaches (litigated or negotiated settlement) is that there should be no quota on lumber exports from this region to the U.S., no duties nor export taxes - essentially free trade. Discussions with the

United States were in a stalemate situation at the end of the year with both nations having rejected their counterpart's proposal for settlement.

Forest Information Program

The Forest Information program coordinates general awareness and youth education programs related to Island forests, and provides communications support and planning services to the director, managers, and staff from the various programs.

Seven forestry segments were developed for the *Island Focus* cable television show, while 52 radio segments were completed for *Agriculture Today*. Work continued on the Woodland Notes Series for forest owners, and on the upgrading of the division's web site. The Forest Information program also initiated *ForestNet*, a weekly newspaper feature, and eight columns were prepared.

In 2003, the program, in cooperation with the provincial forest program, developed and hosted Prince Edward Island's third and fourth ENVIROTHON. The May ENVIROTHON's theme was *Preserving and Conserving Agricultural Lands*, while November's was *Urban Environments*. ENVIROTHON is a voluntary science education program for senior high school students which emphasizes basic science skills in forestry, soils, aquatics and wildlife. A team from Charlottetown Rural High School won the right to represent the Island at the international ENVIROTHON in Maryland in July 2003.

The department worked with Canadian Woodlands Forum, and other forest sector partners from across the region to develop the 2003 Atlantic Teachers Tour program. Two Island teachers were sponsored. The teachers spent three days visiting forest sites in New Brunswick learning about the science used to manage Maritime forests, exploring the economic role of the forest industry, and examining the range of employment opportunities their students could find in the forest sector.

The forest information officer continued to provide logistical and communications support to the Public Forest Council and supported the development and release of its new non-timber forest products video entitled *The Forest is More Than Just a Bunch of Trees*.

Support was also provided to the Greening Spaces Program to develop an interactive CD-ROM on the planting and care of native trees and shrubs, and to coordinate an advertising campaign.

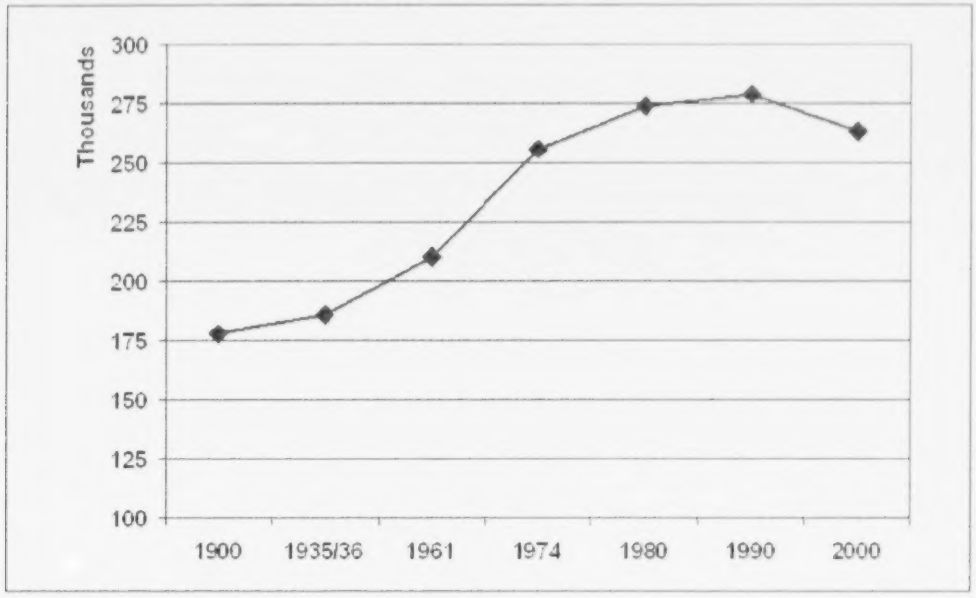
Resource Inventory and Modeling

The 2000 Corporate Land Use Inventory was completed and used to create the 1990-2000 State of the Forest report released in the Legislature in May. Data collected were also used to produce the Prince Edward Island Corporate Land Use Inventory Land Use and Land Cover Summary, and the 2000/02 Corporate Land Use Inventory Forest Summary. All of these reports are available at www.gov.pe.ca/af/falrm-info. The inventory continues to be used extensively within government and by non-government agencies who enter into a data sharing agreement with the department.

The Forest Management Act requires the department to complete an inventory and State of the Forest Report every ten years in order to compare and identify information from previous forest inventories with new trends and areas of concern. They provide a comprehensive overview of the land cover and changes in land use. The Island's forest

area in hectares from 1900-2000 is shown in Figure 1.

Figure 1. Prince Edward Island Forest Area in Hectares 1900-2000



Agriculture Land Use Information

The website, PEI-Land-on-Line, (http://www.peilandonline.com) provides the public and clients of the department with access to information on the land resources of the province. Information on specific properties is provided to landowners who register with the department.

Production of maps for forest clients, members of the public and Environmental Farm Plans continues.

Buildings in the rural areas of the province with one dimension larger than seven metres were digitized and this information is now being used by a number of departments.

A project to create a cost effective GPS/GIS system to aid farmers in planning their crop rotations while remaining compliant with the Agricultural Crop Rotation Act was completed.

National Forest Information System

This website (http://www.nfis.org) became active during the past year and provides public access to national forest information.

Forest Information Special Projects

The 1967 Acres Inventory was digitized making the mapping of the mature forest in 1964 available in digital form. Work continues on mapping the 1958 forest outline which will be used to look at forest change under the Kyoto Agreement.

Growth and Yield

Staff continue to measure forest growth and change through the continued assessment of Permanent Sample Plots (PSPs) and plantation assessments. The 350+ PSPs are located in a variety of forest types across the province and measured on a three year cycle. Many of these plots are being measured for a fifth time, providing valuable detail on growth and change.

Plantation assessments are continuing to ensure planting quality and to monitor the early success and growth of plantations.

Plantation Mapping

Plantations are mapped as they are established through a combination of GPS and GIS technology so the province can keep track of all forest plantations.

Seedling Production

J. Frank Gaudet Tree Nursery

The J. Frank Gaudet Tree Nursery produces quality tree seedlings for reforestation projects and wholesales ornamental trees and shrubs to the retail landscape trade. In 2003, some 2.6 million seedlings, representing 13 softwood species and 10 hardwood species were planted on cut overs, riparian zones, hedgerows and special areas across the province.

Staff from the nursery offer tours to interested groups and individuals to show them Prince Edward Island's largest seedling production facility. In 2003, 667 people toured the J. Frank Gaudet Tree Nursery facility. The nursery also offered advice and assistance on insect and disease problems for ornamental plants, trees and shrubs, as well as advice on landscape problems to thousands of property owners. Staff provided insect and disease analysis for nearly 600 samples and made 36 site visits with landscapers and Island communities to provide detailed information on landscaping and plant health issues.

Nursery staff delivered a 60-hour ornamental horticulture course for golf course technicians through the Tourism and Culinary Centre of Holland College. This course will help golf course staff establish and maintain plant materials which enhance and promote the value of golf courses.

Nursery staff participated with CBC staff in the Hurricane Juan *Leaf Relief Program* held last fall in Victoria Park. Nursery staff supplied and distributed to the public 1,300 plants valued at $5,000.

The Nursery also supplied plant material, advice and design to the following projects: Dundarave Golf Course; Mill River Golf Course; Brudenell Golf Course; Murray River Fisheries Festival; Maritime Premiers Conference; Provincial Parks East; Department of Development and Technology; O'Leary Future Technology Centre; Kensington Technology Centre; East Technology Centre; Elmira Railway; Rails to Trails; Charlottetown Driving Park; Donagh School; West Kent School; Birchwood Junior High School; Grand Tracadie School; Charlottetown Rural High School; Southern Kings School; Three Oaks High School; and the Eastern Kings Consolidated School.

On June 4, 2003, some 200 people toured the Environment Week Open House at the J. Frank Gaudet Tree Nursery to see displays on public and private forests, riparian zone management, environmentally friendly agricultural practices, horticulture, farm safety and many other matters related to natural resources.

Tree Improvement

Three white pine family tests were established in Watervale, Bull Creek Road and Woodville Mills. These tests will supply information on which "plus trees" are performing the best. The Dover Seed Orchard held a very successful open house and participated in the Northumberland Fisheries Festival.

Measurements of 11 test sites were carried out in 2003, recording growth and survival. Maintenance was also given to the plantations. A grafting program consisting of 484 replacement grafts was carried out. The Dover Seed Orchard provided 99.5 kilograms of improved seed.

Greening Spaces Program

The Greening Spaces Program was a new initiative of the department developed to encourage tree planting projects among communities, schools and community groups. Up to 500,000 tree seedlings were produced for projects that diversify public properties, buffer prevailing winds, provide shade, reduce noise, protect waterways, and provide habitat for wildlife.

Fisheries and Aquaculture Division

Mandate

The Fisheries and Aquaculture Division provides programs and services to both the marine fisheries and aquaculture sectors in order to fulfil its mandate and to achieve its goals of providing quality advice, assistance and information to clients.

In marine fisheries, the division acts as an advocate for the Prince Edward Island fishing industry and takes part in many species advisory committees with the industry and the federal government, which manages marine fisheries resources. The division carries out basic biological research in support of major fish species such as lobster, as well as developmental or emerging species; offers programs to support new technology in the fishery; and assists the seafood processing sector with programs to enhance value-added processing of seafood. The division also promotes fish quality through the administration of the Prince Edward Island Fish Inspection Act and the Prince Edward Island Fisheries Act which includes responsibility for licensing and inspection of all fish-buying stations and fish-processing facilities.

The aquaculture sector continues to make a strong contribution to the fishery and remains a sector with potential for further growth and increased economic returns. The division provides programming to support the growth and sustainability of aquaculture businesses. As well, assistance is provided to encourage new technology in aquaculture, and research is carried out on species which offer potential for culture. Staff of the division have expertise in all facets of aquaculture production and provide essential technical services to the industry.

Division Overview

The fishing industry employs approximately 9,200 people in the harvesting and processing sectors. Lobster continues to be the leader with a landed value to fishermen of just over $105 million. The Island's aquaculture industry, consisting primarily of oysters, mussels and finfish, contributed more than $32 million in 2003. This sector of the industry continues to grow and create new employment in the province. For other statistics on the fisheries and aquaculture industries, and historical data on mussel landings and values, see Appendices I and II respectively.

The overall economic impact to Prince Edward Island from the fishery, including the service sector, is more than $340 million. For detailed information on fish landings and values, see Appendix III.

Marine Fisheries Section

The Marine Fisheries Section acts as an advocate for the PEI fishing industry and takes part in many species advisory committees with the federal government (which manages marine fisheries resources) and industry members.

It also carries out basic biological research in support of major fish species such as lobster as well as support the development of emerging species. The Lobster Resource Monitoring Program continued in 2003, research on the migration of lobsters was instigated, and a multi-year lobster management plan for the southern Gulf of St. Lawrence was announced. As well, the toad crab fishery was studied by the department

and Fisheries and Oceans to advance it to the commercial fishery stage.

Programs were offered to support new technology in the fishery and assistance was provided to the seafood processing sectors with programs to enhance value-added processing of seafood in Prince Edward Island.

Lobster Resource Monitoring Program

The Lobster Resource Monitoring Program continued in 2003 with the collection of data through at-sea sampling by technicians and volunteer fishers gathering daily data from special and designated traps. The information gathered through this program will maintain a detailed profile of the harvestable lobster resource caught in Island waters. The department's lobster biologist and three technicians, hired through a contract with the Prince Edward Island Fisherman's Association, sampled onboard commercial lobster boats for a total of 94 fishing days during the spring and fall seasons. The experimental trap program had 108 volunteer fishers, representing 37 Island ports. Information was collected on the lobsters caught from more than 35,000 trap hauls.

Lobster Research

In 2003, the division's staff tagged 151 female lobsters that were returned to the water during the commercial fishery as required by the prohibited size range of 115mm to 129mm set out in the 2003 management plan. Recaptures of these individuals during subsequent fishing activity will lead to a better understanding of the movement and migration of these lobsters. The department continued its financial support by contributing core funding to the Atlantic Veterinary College's Lobster Science Centre.

Lobster Management

A multi-year lobster management plan for the southern Gulf of St.Lawrence was announced on April 3, 2003. All three Island LFA's (24, 25, and 26A) were provided with a minimum carapace size increase schedule as follows: 68.5 mm in 2003 (1mm), 69.5 mm in 2004 (1mm), and 70 mm in 2005 (0.5mm). Also announced for 2003, was the implementation of a prohibited size range of 115 mm to 129 mm whereby all female lobsters in that range were to be returned to the water. Males in this size range were allowed to be retained. Industry consultations and joint Department of Fisheries and Oceans and industry working groups were initiated in 2003 to look at data collection, catch and effort reductions, and minimizing impact of dragging on lobster habitat with implementation of measures by 2004.

Lobster Landings

Catches for the 2003 season were approximately 13 million pounds in LFA 24; 4.6 million pounds in LFA 26A; and 2.4 million pounds for LFA 25, for a total of 20.0 million pounds. Historical data on lobster landings and values can be found in Appendix IV.

Northern Shrimp

The department is continuing its efforts to have the temporary allocation for northern shrimp given permanent status. Prince Edward Island is the only Atlantic province

without a permanent attachment to this fishery. The 2003 Total Allowable Catchh (TAC) rose from 110,052 metric tonnes(mt) to 152,102 mt.

Despite this increase in TAC, the Prince Edward Island quota remained at 1500 mt.

Gulf Shrimp

The total allowable catch in 2003 was lowered to 27,710 metric tonne; and Prince Edward Island had its temporary allocation of 209.5 mt reduced to 152t. The department continues to seek a permanent status in this fishery.

Snow Crab

The 2003 Area 12 snow crab plan called for a 20 per cent reduction in the allowable snow crab catch. In addition 15 per cent of the quota would be allocated to " new entrants" or the former non- traditional allocations. The total allowable catch in Area 12 was set at 17,148 metric tonnes. The traditional fleet received 5.0743 percent of the allocation; the Fishermen's Association received an initial 110 mt; plus a later allocation of 75 mt was made available to non-traditional fishers for sharing. The department will continue to seek an equitable share of the snow crab resource.

The Zone E snow crab TAC was 350 mt. The allocation was 43.75 mt. Prince Edward Island maintains one permanent licence in this zone.

Toad Crab

To assist in the advancement of the toad crab (*Hyas sp.*) fishery to the commercial fishery stage of Fisheries and Oceans's Emerging Fisheries Policy, staff from the department worked in collaboration with Fisheries and Oceans biologists to collect data that would be used to determine size distribution within the crab population and size at which sexual maturity was achieved. Data was collected both on board vessels during fishing, and at fishing ports as fishermen landed their catch. The information recorded included such things as location of fishing activity, type of traps used, size of crabs caught, claw height, and shell condition.

Bluefin Tuna

The 2003 bluefin tuna season was the third year of the revised management plan highlighted with higher 'caps' per fleet sector. The plan is based on fleet sector caps which range from 105 to 180 metric tonnes per fleet. Prince Edward Island received a cap of 180 metric tonnes. The season opened on July 15 and lasted until September 5, when Prince Edward Island landed 179.9 mt. Thirteen Island ports experienced landings this year with a total of 368 tuna landed. North Lake landed 143 fish, North Rustico landed 60 fish, and Tignish landed 52 fish. The Canadian inshore quota of 545 mt was caught by September 6. There are 760 bluefin tuna licence holders in Atlantic Canada, with Prince Edward Island holding 360 licences.

A total inshore quota of 545 metric tonnes was announced in July. The season opened July 15, and the ex-sector fishery began August 5. Twenty-two Prince Edward Island fishers participated in the ex-sector fishery off southwest Nova Scotia. In total, 174 tuna were caught in the ex-sector fishery.

Island fishers landed 641 tuna throughout Atlantic Canada, for a total weight of 179.99 metric tonnes. There were 23.34 metric tonnes landed in southwest Nova Scotia, 1.78 metric tonnes in 4Wd (Canso), and 154.88 metric tonnes in the Gulf region.

The Prince Edward Island Tuna Working Group, made up of tuna fishers, and provincial and federal government representatives, continued to work for a fair system at the annual Atlantic Large Pelagics Advisory Committee meetings.

On November 24, the federal fisheries minister announced that fleet quotas were developed and would be implemented in the 2004 season. Prince Edward Island's fleet share was set at 30.52 percent. Using an inshore quota of 565 mt, this would cap our fleet at 172 mt. Further negotiations are ongoing to increase this quota.

Scallop Fishery

In 2003, Prince Edward Island reported scallop landings of 88,412 pounds, up 5 percent from 2002. The value of the landings were approximately $530,000.

In Area 22 (western Northumberland Strait), the season began on May 5 and ended June 7. Sunday fishing was not permitted and daily hours of operation were from 6 am to 6 pm. Less than 60 fishers were active in this fishery. Meat counts were set at 44 per 500 grams to enhance conservation.

The scallop season for the north side of (Scallop Fishing Area 23) began July 7, closed September 6, reopened November 10, and ended December 7. There are only a few active scallop fishers each year in Area 23. The Eastern Northumberland Strait fishery (Area 24) opened October 27 and closed December 13. Scallop prices were steady, averaging $6.00/lb. The maximum meat count allowed in Area 24 was 52 per 500 grams.

A buffer zone is in place in Area 24 to protect lobster habitat along the coastlines of Prince Edward Island and Nova Scotia fishermen are requesting more areas to be protected.

Herring

Spring

The Herring Management Plan was announced in mid-April. For 2003, the spring quota was set at 11,000 mt, up from last year's TAC of 8,000 mt for the southern Gulf's Area 16 fishery. Western fishers landed 1,459 mt in Area 16 C/E. Early landings were soft in western Prince Edward Island yet strong on the New Brunswick side. Prices varied from 10-30 cents /lb depending upon supply and demand.

Later in May, prices jumped from 10-16 cents/lb to 35-45 cents a pound by early June when demand for lobster bait exceed supply. The bait situation improved in June with the opening of the mackerel fishery and the arrival of the gaspereaux.

Fall

The 4T fall quota was set at 62,000 mt, up from 51,500 metric tonnes in 2002. The western Prince Edward Island fishery (Herring Fishing Area 16 C/E) began August 31 with a quota of 7,439 mt shared with southeast New Brunswick. There were over 40 fishers active in the western roe fishery. The fishery finished on September 16. Final landings were 7,630 mt, with Prince Edward Island fishers landing 1,730 mt (23 percent)

at Island ports. John Rochford, from Alberton, assisted in collecting acoustic data to help determine the size of the herring stock.

Eastern Fall Herring

The HFA 16G area (Fishermen's Bank area) had a split quota with 800 mt allocated for north-side fishers from Covehead to North Lake that began on July 20th. Only 276 mt was landed due to the scarcity of herring. The remainder was rolled into the bulk of the quota (6,889 mt) which began on August 24th for Fishermen's Bank area. The fishery closed on Sept 15th, but re-opened on the 17th (after requests from industry) to catch the remaining quota. Final landings totaled 8,699 mt.

Both major fishing areas off Prince Edward Island had relatively successful fall seasons with most vessels reaching their daily quotas of 15,000 lbs in the east and 20,000 lbs in the west.

During the fall fishery in eastern Prince Edward Island, two fishers were engaged in collecting acoustic data to record the size and number of herring schools. The department assisted in this project by providing funding for this work. It will provide information for the ongoing study by Fisheries and Oceans to fully understand the components of the herring stock.

Division personnel participated in industry meetings held throughout the fall and winter. A Regional Advisory Process session was held in late March in Moncton for science and industry to peer review the latest data on the resource and to help develop the Stock Status Report for 4T herring.

Seiner Fleet

Again this year in late October, the New Brunswick seiner fleet arrived to fish a portion of their quota off northeast Prince Edward Island and use the Souris wharf facilities to unload their catch and truck it back to northern New Brunswick. They were met with a series of protests which led to a court injunction and 14 fishers arrested. The seiners caught over 5,770 mt off Prince Edward Island in the fall. Their total landings were 13,911 mt. for the fall season. Allister Surette was contracted by Fisheries and Oceans on a fact-finding mission to record and report the issues and concerns between the inshore fishers and the seiners. The department continued its demand to reinstate the 1983 exclusion zone coordinates to protect the local stocks and habitat.

Seaplants

The Irish moss season began in early June. There was no directed *Furcellaria* fishery. There was an increase in effort this year owing in part to a renewed demand for *Chondrus*.

Fisheries, Aquaculture and Environment, in conjunction with the Development and Technology, jointly funded a research project on the status and health of the local marine plant beds. Three local people were hired to conduct basic studies on the various species content and to determine fishery effort.

Price remained the same in 2003 as in 2002 and landings were estimated to be near 9,000 mt.

Groundfish

In late April, Fisheries and Oceans announced another moratorium on 4T and 4RS Gulf cod stocks. The Fishery Resource Conservation Council (FRCC) recommended to continue the same measures as in 2002, but there were too many negative signs to continue a directed fishery. Recent scientific assessments determined that the stocks were at historically low levels and showed no signs of imminent recovery despite a decade of restrictive measures.

The only groundfish fisheries occurring on the Island were a flatfish fishery and the Fisheries and Oceans's sentinel study. There was a fixed gear, tangle-net fishery for blackbacks in the spring and another tangle net fishery in the east off Fishermen's Bank after the fall herring fishery closed. As well, some mobile gear vessels directed for blackbacks and plaice in eastern Prince Edward Island in the fall.

Charter boat fishers were not initially supportive of the cod moratorium. A compromise was reached that enabled charter vessel operators to release any cod caught while directing for mackerel, squid or sculpins. Approximately half of the 33 charter boats registered to get the special licence conditions for catch and release.

Silversides

The silverside fishery opened October 1. Early prices were quoted at 40 cents per pound for box-net fish. This price was greatly different from the year before when the first week's initial offer was 18 cents per pound. Many fishers, through their processor, stored product for 2004 lobster bait. This is a relatively new bait product with mixed reviews by the industry.

The Fisheries and Oceans has had some success with the annual berthing issue. As more fishers become active in this late fall fishery, the ideal fishing locations are more in demand. This issue is more common in eastern Prince Edward Island than in the west.

Aquaculture Section

The Aquaculture Section is responsible for providing high quality advice, assistance and information to the Island's shellfish and finfish aquaculture sectors. As well, the section administers programs and services to support the Island's estuarine shellfish fishery. In 2003, the landed value of shellfish and finfish products such as mussels, oysters, clams and salmonids was approximately $35 million. Employment in the sector represented more than 2,000 jobs.

Activities and programs delivered by staff of the Fisheries and Aquaculture Division in 2003/04 were diverse. Staff were involved in providing technical and biological advice to the shellfish and finfish sectors. In addition, staff delivered a number of incentive programs that complemented technical services and assisted in the overall development of the aquaculture sector.

Mussel Monitoring Program

The Aquaculture Section continued to deliver the Mussel Monitoring Program to mussel growers. Information was collected in 28 areas representing 19 river or bay systems which are utilized for spat collection and/or grow out. The program assisted growers to

manage their lease sites by providing information on the timing of mussel spatfall, mussel meat yields, water quality, and presence of potentially harmful algal species.

The bulk of the program operated during the ice-free season, with a focus on mussel spatfall prediction between May and July. Oyster spatfall prediction was carried out in July and early August. Monitoring for potentially harmful algae occurred from September to December and was carried out periodically on samples collected through the ice in the winter months.

Information collected through the Mussel Monitoring Program was communicated to industry via a voice-mail system and a summary report at year end.

Invasive Species

Since 1997, three species have moved into waters surrounding Prince Edward Island and have negatively impacted the shellfish industry. In 2003/04, work continued on these invaders to monitor their distribution and attempt to lessen their impact on the shellfish sector.

The clubbed tunicate (*Styela clava*) has had a serious impact on the shellfish industry as it competes for food and space on mussel aquaculture lines. Staff spent much of the 2003/04 field season performing trials to understand the biology of the clubbed tunicate and test various treatments to decrease the number of tunicates on mussel socks and gear. The program to monitor the abundance of tunicate larvae in infested estuaries during the summer months was continued.

Mussel processing plants that process tunicate infested mussels have been identified as a potential vector for the spread of tunicates and other invasive species. Staff carried out projects to evaluate the level of risk of releasing whole tunicates, or viable tunicates eggs and larvae associated with processing tunicate infested mussels. Staff also worked with several mussel processing plants to assess different types of effluent treatment equipment and to provide advice on the installation of treatment systems.

Department staff remained involved with the Styela Clava Action Research Group (SCARG). This is a group made up of the Aquaculture Alliance, of Fisheries and Oceans, Atlantic Veterinary College and the Fisheries and Aquaculture Division. The SCARG coordinates the research being carried out on *Styela clava*.

Department staff assisted in the evaluation of equipment purchased by the Aquaculture Alliance from the New Zealand Mussel Industry Council to control tunicate fowling on mussel crop and gear. Kevin Heasman, an employee of the Cawthron Institute, New Zealand and the developer of the technology, visited Prince Edward Island to demonstrate the technology. A number of trials were conducted with the New Zealand technology. Despite a number of modifications being made to adapt the technology to treat the clubbed tunicate, the technology was not successful. The equipment was developed for a different species of tunicates in New Zealand and did not prove effective against *Styela clava*.

The distribution of the green crab (*Carcinus maenas*) was monitored and biological data collected. The distribution of the green crab did not change from 2002. The size of the populations increased sig ficantly, especially in the eastern portion of the province. The green crab is an aggressive crab species that preys on molluscs and other crustaceans.

Staff continued to monitor the presence of the oyster thief (*Codium fragile*) that is impacting oyster resources in Malpeque Bay and the Enmore-Percival area.

Mussel Seed Quality Workshop

Department staff assisted the Aquaculture Alliance with a mussel seed quality workshop hosted by the Alliance in March, 2004. Industry and government from all three maritime provinces and the Fisheries and Oceans were represented. The purpose of the workshop was not only to provide information to industry, but also for industry to identify research priorities on mussel seed issues.

Mussel - Sea Duck Interactions

Aerial surveys to monitor the numbers and locations of sea ducks continued in 2003/04. The study efforts were in collaboration with the Canadian Wildlife Service. Sea ducks are an issue with the mussel industry as they eat or shake mussel seed from spatlines or newly socked lines.

Hurricane Juan

On September 27th a category 2 hurricane struck central Prince Edward Island near the Hillsborough Bay, Orwell Bay area and traveled northward across the Island to the St. Peter's Bay, Savage Harbour, and Rustico Bay area. Many of the mussel seed areas in the path of the hurricane were affected with reports of up to a 80 percent seed loss. A number of mussel growers submitted claims to the Emergency Measures Organization (EMO) Disaster Financial Assistance Program. Staff surveyed the affected areas to provide additional information to EMO. The hurricane caused a seed shortage for the fall of 2003, making many of the mussel growers dependant on the harvest of wild seed.

Winter Oyster Mortality

The winter of 2002/03 appeared to be harsh on oyster stocks in the province. Department staff received numerous reports in April and early May, 2003 of above-normal oyster mortality on many public beds and leased grounds. In fact, some public beds in the Wilmot River were reported to have losses in the 50-80 percent range. Oyster samples were tested by the Shellfish Health Unit at Fisheries and Oceans in Moncton but no disease agents were present. The mortality was widespread suggesting the severity of the winter was a major factor in the losses of oyster stocks.

After a number of meetings with groups of concerned fishers and industry representatives, consensus was reached to approach the issue in three ways: additional enhancement work; a science program to study the over-winter survival of oysters in the Wilmot and Dunk River areas; and a full time coordinator for the industry to look at ways to address increasing fishing effort and declining oyster resources due to winter mortality.

The department provided an additional $50,000 to the Shellfish Association for oyster enhancement projects to help re-build oyster stocks. This contribution was over and above the annual contribution of $80,000 the province has been providing the past number of years. A research project was approved with funding from the Aquaculture and Fisheries Research Initiative, Atlantic Shrimp Corporation, Fisheries and Oceans, and industry to study environmental factors and oyster survival in Summerside Harbour over a two year period. In addition the Shellfish Association was successful in securing funds from Human Resources Development Canada to hire a coordinator for a one year term to work more closely on oyster issues impacting the livelihood of fishers in the province.

Oyster Shellbed Cultivation

Division staff continued to work closely with representatives of the Queens County Shellfish Association to carry out a project to cultivate oyster shellbeds in the West River and North River. The technique of exposing clean shell for oyster spat to attach can be inexpensive, yet result in positive returns for the oyster fishery. A vessel equipped with a de-silter made of a sleigh assembly and two rows of steel teeth was used. Seventeen plots were cultivated, covering approximately 79 acres. The vessel operated for approximately 60.25 hours between June 19 and July 19.

Oyster Diseases - MSX and SSO

Department staff continued to work closely with Fisheries and Oceans officials to monitor oyster stocks for the presence of MSX and SSO. The parasite causing MSX has yet to be found in Prince Edward Island oyster stocks. SSO have been found in Island oysters, however at non-lethal levels. Importing oysters from areas in the Bras D'or Lakes, Nova Scotia is prohibited by Fisheries and Oceans.

Soft-Shell Clam Culture

The 2003/04 year saw the conclusion of the experimental component of a program to assess the potential of the soft shell clam as an aquaculture species. The program was initiated in 1993 and involved 15 lease holders. Under the program, clam seed was relayed from marginally contaminated areas to lease sites through permits issued by Fisheries and Oceans. Division staff assisted clam growers to assess growth and survival of relayed seed on their lease sites. A tremendous volume of technical information has been gathered over the life of the program. However, success appears to be limited and very site-dependent. Soft-shelled clams can be impacted by moon snail predation, smothering in sea lettuce, a disease know as neoplasia, and shifting sand. A small number of sites studied under the program show potential for commercial production.

Conditional Shellfish Openings

In 2003/04, division staff continued to work with industry groups in the Vernon-Orwell and Cardigan River systems to maintain conditional openings for the harvest of shellfish. The conditional openings were a joint effort of the Canadian Food Inspection Agency, Fisheries and Oceans, Environment Canada, Fisheries, Aquaculture and Environment, and affected shellfish growers. Without the cooperation of all agencies and the industry, shellfish in both of the affected areas would not be permitted for direct sale.

Assistance Programs

The Fisheries and Aquaculture Division delivered three incentive programs to the aquaculture sector. Under the Aquaculture Diversification Program, 15 projects were approved representing a government contribution of $27,158. Under the Aquaculture Technology Program, one project was approved, representing a government contribution of $10,000. A new program called the Environmental Practices Program was initiated in 2003/04. Three projects were approved under this program for a government contribution of $22,015. These programs assisted the industry to commercialize developmental species such as oysters and clams, evaluate new technologies and improve the environmental sustainability of aquaculture.

A total of $130,000 was approved for the Shellfish Association to carry out oyster enhancement activities on public fishery grounds. Projects included seed collection, oyster relays, shell bed cultivation and shell spreading. Each project is carried out with a goal to either improve oyster quality or increase the acreage of public oyster grounds. The association cost-shared the oyster enhancement activities. Landings in 2003 were recorded at 6.69 million pounds, up 11 percent from 2002. The long-term commitment of the department to the enhancement of the public oyster fishery has resulted in increases in landings, and therefore, opportunities for oyster fishers.

The department continued to support the Atlantic Veterinary College's Shellfish Aquaculture Research Program. A contribution provided AVC with the necessary infrastructure and research support to attract funding and conduct research projects identified by, and relevant to, the Island shellfish industry.

The department supported the Aquaculture Alliance under the Fisheries Organization Support Fund. The Alliance is the voice of the Island aquaculture industry. The efforts of the Alliance have been instrumental in addressing numerous research, development and regulatory issues of the aquaculture sector.

Aquaculture Leasing Program

The department continued its partnership with the aquaculture industry to provide management advice to Fisheries and Oceans for delivery of the Aquaculture Leasing Program. The Lease Management Board met on a number of occasions to oversee development of work plans, financial aspects, and the policy framework of the program. The department was also represented on a Referral Committee and gave advice on applications for new sites and other transactions. Under the Aquaculture Leasing Program, Fisheries and Oceans makes the final decision on leasing matters, however, the industry and provincial department have a greater role in management decisions. All parties contribute financially to the program.

Fisheries Services Section

The Fisheries Services Section provides advice and assistance to clients regarding maintenance of fish quality and production of quality seafood products, and administers regulations under the Fisheries Act and the Fish Inspection Act. The section is also responsible for gathering, compiling and publishing fisheries information including statistical data relating to the maintenance and development of fishery resources.

Section staff undertake development projects for the improvement of fishing ports and aquaculture landing sites under provincial jurisdiction. As well, projects are carried out on the promotion of seafood through a summer food demonstration program called *Out of the Sea and Over the Coals*.

Licensing

The Licensing Section is responsible for the administration of licences pertaining to processing, buying and peddling under the Fisheries Act regulations. Fish processing licences are divided into four categories: primary processing, secondary processing, lobster cookroom (limited to 144 square feet of processing area) and groundfish processing (limited to 750 square feet of processing area). In 2003, the department issued 68 primary processing licences, three secondary processing, 19 lobster cookroom, and one groundfish processing licence.

Fish buying licences are issued on a species per buying station basis. The six categories are lobster, other crustaceans, groundfish, pelagic, mollusc, and other fish. During 2003, the department issued 272 lobster, 142 other crustaceans, 87 groundfish, 146 pelagic, 151 mollusc and eight other licences.

In addition, 11 fish peddling licences were issued to individuals and/or companies who peddle fish (processed in licensed establishments) to various consumers throughout the province.

Two fisheries inspection officers are responsible to enforce regulations under the Fish Inspection Act and the Fisheries Act.

Dead Mammal Disposal

The Fisheries Services Section is responsible to co-ordinate and pay the costs for removal of dead marine mammals that appear on Island beaches from time to time throughout the year. The majority of these mammals would either be examined in the field by personnel from the Atlantic Veterinary College, or in some cases, the carcasses are transported to AVC for post-mortem examination.

The cost for disposal of dead mammals varies from year to year. When dealing with dead whales, the cost of disposal varies from a low of $1,500 to a high of $5,000 per animal. The variables involved are the size, location, condition of carcass, etc.

In the case of seals, decomposed carcasses are buried on the beach and fresh carcasses are transported to the Atlantic Veterinary College for examination. In the majority of cases, conservation officers deliver the carcasses to the college.

Locations for burial of dead carcasses are approved by officials in the environment divisions and the work of disposal is carried out by a local contractor or an individual in the area. This year, the Fisheries Services Section coordinated the removal of 19 seals, two whales, and one shark.

Shellfish Landing Sites

The section is responsible for the maintenance of approximately 50 shellfish launching sites in various rivers and bays throughout the province. The maintenance costs of these sites vary depending on the weather conditions. There are continuous erosion problems on the coastlines and contractors are hired periodically to provide gravel, shale, etc. in order to assure that shellfishers have access to the rivers and bays.

The department also lends financial support to assist in the operation of two oyster trailer parks (Lower Bedeque and York Point). These parks were established to allow fishers to live on site, thus cutting down on their travel and allowing more time for fishing. The tenants pay a user fee that helps defer the costs of electricity, sewage disposal, and garbage disposal.

Quality Management Project

A Quality Management Project was initiated in 1999 to assist small and medium-sized seafood processors to enhance their quality systems to meet new requirements of the federal Fish Inspection regulation administered by the Canadian Food Inspection Agency (CFIA). The project evolved into a joint effort between the province and the Island Seafood Processors Association, utilizing funding from the Atlantic Shrimp Corp. Inc.

Work done this past year provided assistance to the plants in the implementation of their Quality Management Programs that were developed in the previous phase of this long-term project. A private consulting firm, Innovative Quality Solutions, provided the required technical services and expertise through the work plans directed by a Quality Management Working Group Committee comprised of representatives from the department and the Seafood Processors Association.

Seafood Promotion

Linking Land and Sea

The department participated in the *Linking Land and Sea* summer program in co-operation with the Prince Edward Island Association of Exhibitions. This program promotes seafood by showing various ways that seafood can be prepared. These promotions are done at various events such as Old Home Week, Summerside Lobster Carnival, Northumberland Fisheries Festival, Tyne Valley Oyster Festival, and numerous other exhibitions.

Out of the Sea and Over the Coals Program

The department again had a busy summer with this seafood promotion program. *Out of the Sea and Over the Coals* has been in operation for about 20 years, bringing the sizzling taste of seafood from the barbecue to thousands of people, visitors and Islanders alike. The program was operated by two summer students attending fairs, exhibitions, national and provincial parks, tourism visitor information centres, campgrounds, and other tourist areas in the province.

Prince Edward Island International Shellfish Festival

The department was a sponsor of the 2003 Prince Edward Island International Shellfish Festival, hosted by the Aquaculture Alliance and the Shellfish Association. As well, department staff helped organize several of the events. The International Shellfish Festival has grown into one of the largest promotions of shellfish in Eastern Canada, attracting thousands of visitors annually.

Aquaculture and Fisheries Research Initiative Inc.

The Aquaculture and Fisheries Research Initiative Inc. (AFRI) encourages short-term applied or developmental aquaculture and fisheries research in partnership with individuals, business and organizations. The initiative began with an initial commitment of $800,000 from the provincial government and the government continues to enhance the budget on an annual basis. AFRI is managed by a board of directors representing government, research agencies and industry. A copy of AFRI's Annual Report for 2003-2004 is available through the department.

Appendix I

Prince Edward Island General Fisheries and Aquaculture Facts: 2003

1)	Core fishers		1,312
	Non - Core fishers		3,476
		Total	**4,788**
2)	*Vessels(Registered)	Length (feet)	
		< 35'	78
		35' - 39'11"	122
		40' - 44'11"	1,216
		45' - 49'11"	2
		50 - 54'11"	0
		55' - 59'11"	1
		65+	1
		Total	**1,420**

* The above table indicates those vessels that are registered by the Dept. Of Fisheries and Oceans. A number of smaller vessels used in the estuarial fisheries are not registered thus are not included in the total above.

3)	Licences by Species				
	Groundfish		885	Gaspereau	22
	Herring		869	Bar Clams	20
	Mackerel		1,279	Quahaugs (Ocean)	8
	Tuna		359	Clams (unspec.)	1,651
	Scallops		397	Squid	244
	Lobster	26A	404	Marine Plants	294
		25	260	Swordfish	168
		24	639	Smelts	336
	Eels		794	Oysters (Spring)	899
	Rock Crab		90	Oysters (Fall)	1,044
	Silversides		89	Mussels	803
	Snow Crab		30	Soft-shell Clams (Mech.)	13
	Bait (Herring, Mackerel & Gaspereau)				1,983
	Total Licenses for Prince Edward Island				**13,580**
	Permits by Species				
	Sea Urchins		09		
	Toad (Spider) Crab		14		
	Shark		2		

4) *	No. of acres leased for mussel culture	10,771
	No. of mussel culture sites	284
5)*	No. of acres leased for oyster culture	6,797
	No. of oyster culture sites	780
6)*	No. of acres leased for quahaug culture	1
	No. of quahaug culture sites	1
7)*	No. of acres leased for clam culture	31
	No. of clam culture sites	330
8)*	No. of acres leased for sea scallops culture	3
	No. of sea scallop culture sites	36
9)	No. of finfish culture sites	6
10)	No. of employees in processing plants (approx. maximum at peak season)	3,000
11)	No. of provincially licenced and federally registered export plants (not including buying stations)	43
12)	No. of provincially licenced non-export plants	26
13)**	No. of major shellfish shippers	15
14)	No. of finfish processors	2
15)	No. of sea plant companies	3

*as of December 31, 2003 and is subject to change: ** included in #11 above

Core Fisher: is a registered fisher who is the head of an active fishing enterprise (i.e. had fished full-time for the previous two years), had a vessel in the fishery, and had Bonafide status and held one key licence (snow crab, lobster A, groundfish - not handline, scallop, tuna, and herring)

Source: *DFO, Charlottetown & Moncton and PEI Dept. of Agriculture, Fisheries, Aquaculture and Forestry*

APPENDIX II

Prince Edward Island

Mussel Landings & Values: 1980-2003

Year	Metric Tons	000's Dirs
1980	40	54
1981	47	51
1982	69	107
1983	162	233
1984	285	407
1985	464	562
1986	1,218	1,880
1987	1,036	1,712
1988	1,441	1,405
1989	2,444	2,946
1990	2,697	2,675
1991	3,483	4,574
1992	4,179	4,959
1993	4,789	4,972
1994	5,949	6,321
1995	7,472	8,596
1996	8,821	10,693
1997	9,976	12,096
1998	12,465	15,110
1999	13,892	16,845
2000	17,899	21,703
2001	17,509	23,160
2002	16,785	22,202
2003	16,830	22,612

Source: Fisheries and Oceans Statistics Division, Moncton, New Brunswick and Prince Edward Island Department of Agriculture, Fisheries and Aquaculture

APPENDIX III (continued)
Fish Landings and Values

	2002		2003	
	Weight (Lbs)	Value ($000)	Weight (Lbs)	Value ($000)
GROUNDFISH				
Cod	1,959,178	1,130	145,206	96
Hake	37,930	17	5,124	3
Flounder	304,177	111	414,258	197
Blackbacks/Winter Flo.	508,830	237	511,000	303
Yellowtail	53,887	11	54,984	13
Tomcod	1,848		4,071	
Greysole			107	
Other Groundfish	23,594	57	13,623	27
TOTAL	2,889,444	1,563	1,148,373	639
TOTAL FISH	136,193,993	166,769	125,653,282	166,830
SEAPLANTS				
Furcellaria	678,375	45	2,108,768	225
Irish Moss	15,166,379	1,931	19,762,495	2,499
Other			65,968	8
Sea Urchins				
TOTAL	15,844,754	1,976	21,937,231	2,732
TOTAL FISHERY	152,038,747	168,745	147,590,513	169,562

Source: Statistics Division, Gulf Region, Fisheries and Oceans
Prince Edward Island Department of Agriculture, Fisheries, Aquaculture and Forestry (Fisheries and Aquaculture Division)

APPENDIX IV

Lobster Landings and Values 1920-2003

Q = Quantity in millions of pounds V = Values in thousands of dollars

	Q	V		Q	V		Q	V
1920	8.3	703.9	1950	9.1	1,963.0	1980	11.8	15,458.0
1921	6.4	255.3	1951	8.3	1,702.0	1981	11.9	18,519.0
1922	8.8	651.4	1952	8.4	1,849.0	1982	12.2	22,599.0
1923	9.7	878.8	1953	7.0	1,997.0	1983	15.5	29,056.0
1924	6.5	564.8	1954	7.4	1,977.0	1984	13.6	23,137.8
1925	7.9	661.1	1955	8.3	2,324.0	1985	15.0	33,591.9
1926	6.6	601.8	1956	9.7	2,725.8	1986	18.3	44,494.2
1927	6.3	617.1	1957	8.5	2,456.3	1987	18.9	49,532.1
1928	6.6	553.1	1958	8.0	2,510.2	1988	22.0	56,128.9
1929	7.4	621.5	1959	8.4	2,842.2	1989	21.3	46,058.0
AVG. 20's	7.5	610.9	AVG. 50's	8.3	2,234.8	AVG. 80's	16.1	33,857.5
1930	8.1	539.7	1960	10.1	3,212.3	1990	22.4	40,348.5
1931	9.4	553.7	1961	9.5	3,055.0	1991	22.8	48,521.9
1932	11.5	551.7	1962	8.7	3,218.9	1992	19.9	59,439.0
1933	9.2	396.2	1963	7.4	3,155.8	1993	19.7	51,452.0
1934	7.7	536.0	1964	7.8	4,210.8	1994	18.9	65,398.0
1935	6.4	467.8	1965	8.8	5,176.6	1995	19.3	79,242.0
1936	6.0	544.4	1966	7.9	3,925.7	1996	18.0	66,424.0
1937	5.8	524.8	1967	9.0	5,228.9	1997	17.8	71,243.0
1938	7.1	458.8	1968	8.7	5,328.9	1998	18.9	80,553.0
1939	7.0	464.4	1969	8.2	5,375.8	1999	18.8	88,925.0
AVG. 30's	7.8	503.8	AVG. 60's	8.6	4,188.9	AVG. 90'S	19.6	64,455.4
1940	5.6	353.9	1970	8.7	6,231.2	2000	19.1	87,769.2
1941	6.0	469.2	1971	8.2	5,860.6	2001	19.1	103,894.0
1942	6.4	694.8	1972	7.3	6,360.8	2002	19.9	105,399.0
1943	6.0	999.0	1973	7.7	7,503.2	2003	20.0	108,308.0
1944	6.6	1,149.7	1974	6.2	6,347.0			
1945	8.1	1,503.6	1975	8.6	8,135.5			
1946	7.9	1,982.7	1976	8.5	8,510.5			
1947	6.2	1,070.0	1977	9.1	10,012.0			
1948	6.5	1,411.9	1978	11.1	16,648.6			
1949	6.8	1,388.4	1979	11.8	18,073.9			
AVG. 40's	6.6	1,102.3	AVG. 70's	8.7	9,368.3			

Source: Prince Edward Island Department of Agriculture, Fisheries and Aquaculture, Fisheries and Aquaculture Division and Statistics Division, Fisheries and Oceans, Moncton, New Brunswick